



**John T. Gray**  
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June 5, 2013

234368

The Honorable Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings  
June 5, 2013  
Part of  
Public Record

Dear Ms. Brown:

This submission is the AAR forecast of the third quarter 2013 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2013-3) *Quarterly Rail Cost Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the third quarter 2013 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.


	<u>2013Q2</u>	<u>2013Q3</u>	<u>% Change</u>
All-Inclusive Index	100.3	98.9	-1.4
Preliminary RCAF	1.003	0.989	-1.4
Forecast Error Adjustment	0.003	-0.012	
RCAF (Unadjusted)	1.006	0.977	-2.9
Productivity Adjustment Factor	2.2957	2.3008	
RCAF (Adjusted)	0.438	0.425	-3.0
PAF-5	2.4328	2.4377	
RCAF-5	0.414	0.401	-3.1

June 5, 2013

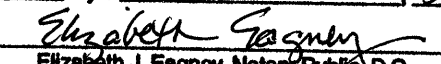
In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity adjusted RCAF values as if the agency had always used a 5-year rolling average to calculate the productivity adjustment). In response to a request by STB staff, the AAR is including a calculation of the RCAF-5 in its quarterly RCAF filing. The AAR and its members, however, do not believe the publication of a third RCAF index is required or permitted by the applicable statute (49 U.S.C. § 10708) and do not endorse its publication.

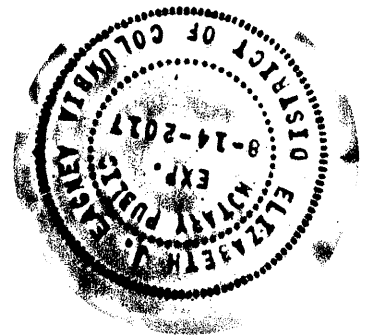
We have notified Paul Aguiar, in the STB office handling this proceeding, of our plan to e-file the submission and the non-proprietary work papers in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A second copy of the submission and non-proprietary work papers, plus selected highly confidential work papers, will be hand-delivered to a member of Mr. Aguiar's Data Collection and Auditing Team. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

  
John T. Gray

Attachments

District of Columbia: SS  
Subscribed and sworn to before me, in my presence,  
this 5 day of June, 2013  
  
Elizabeth J. Eagney, Notary Public, D.C.  
My commission expires August 14, 2017.



**Third Quarter 2013  
All-Inclusive Index**

**Ex Parte No. 290 (Sub-No. 5) (2013-3)**

**Quarterly Rail Cost Adjustment Factor  
Surface Transportation Board**

**Policy and Economics Department  
Association of American Railroads**

**June 5, 2013**

# Table of Contents

<b>Subject</b>	<b>Page</b>
Introduction . . . . .	1
Index Weights . . . . .	2
All-Inclusive Index - Third Quarter 2013 . . . . .	3
Forecast vs. Actual All Inclusive Index - First Quarter 2013 . . . . .	4
Productivity . . . . .	5
Rail Cost Adjustment Factor - Third Quarter 2013 . . . . .	6
Appendices	
A Labor	
B Fuel	
C Materials & Supplies	
D Equipment Rents	
E Depreciation	
F Interest	
G Other Expenses	
H Railroad and Union Abbreviations	

# Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the third quarter 2013.

## Index Weights

In the Ex Parte No. 290 (Sub-No. 2) final rules, issued in April 1981, the Interstate Commerce Commission mandated that the weights of each major cost component be updated annually. These "external" weights are calculated using data from Schedules 410 and 210 of the R-1 annual report filed with the Surface Transportation Board by the Class I railroads. The weights are typically updated with the fourth quarter projection.

The 2011 (current) and 2010 (previous) weights are shown below. The 2010 weights were used for the fourth quarter of 2011 through the third quarter of 2012. Beginning with the fourth quarter of 2012, 2011 weights are used. In 2011, expenses increased for every category with the exception of interest expenses. However, fuel expenses increased by the highest percentage and amount, caused by a huge increase in fuel costs and a much smaller increase in traffic. Not surprisingly, Fuel's weight increased from 18.0 percent to 22.5 percent. This is the second-highest weight ever for Fuel. The only other category to have its weight increase was Materials & Supplies, which increased 0.1 percentage points. Labor's weight decreased from 33.3 to 31.3 percent, despite an 8 percent increase in expenses. Weights for the remaining categories decreased by 0.4 to 1.2 percentage points.

RCAF Weights		
	Previous 2010	Current 2011
Labor	33.3 %	31.3 %
Fuel	18.0	22.5
Materials & Supplies	5.0	5.1
Equipment Rents	6.2	5.6
Depreciation	12.8	11.6
Interest	2.9	2.5
Other	21.8	21.4

Reweightings of the index is accomplished by calculating both the current quarter (normally the fourth) and prior (normally the third) quarter indexes with the new weights. The relative change between the two quarters is then multiplied times the prior quarter (usually the third) *linked* index. Use of this method ensures that the weight change, by itself, does not cause a change in the level of the All-Inclusive Index.

Internal weights in the labor and equipment rents components are updated at the same time as the external weights. When these weights are changed, they are also linked using the procedure described above in order to eliminate the effect of the change in weighting.

## All-Inclusive Index Third Quarter 2013

The components and values of the current and previous All-Inclusive Indexes are shown below. Details of the construction of each component of the index are contained in the Appendices.

	2011 Weights	Forecast		Percent Change
		Previous 2013Q2	Current 2013Q3	
1. Labor	31.3%	384.9	390.4	1.4 %
2. Fuel	22.5%	404.3	375.6	-7.1
3. M&S	5.1%	261.0	264.2	1.2
4. Equipment Rents	5.6%	206.9	208.0	0.5
5. Depreciation	11.6%	219.6	218.9	-0.3
6. Interest	2.5%	92.9	92.9	0.0
7. Other	21.4%	220.2	221.4	0.5
8. Weighted Average				
a. 1980 = 100		311.3	306.9	
b. 1980 = 100 (linked)		298.5	294.3 <sup>1</sup>	
c. 4Q12 = 100		100.3	98.9 <sup>2</sup>	-1.4

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<sup>1</sup> To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= (306.9 / 311.3) \times 298.5 \\ &= 294.3 \end{aligned}$$

<sup>2</sup> To calculate the 4Q12 = 100 index:

$$\begin{aligned} \text{Index}_{4Q12} &= (\text{Current Linked Index} / 4Q12 Basing Factor) * 100 \\ &= 294.3 \text{ divided by } 297.5 \text{ times } 100 \\ &= 98.9 \end{aligned}$$

Indexes based on other periods:

- 4Q07 based index =  $294.3 / 245.9 \times 100 = 119.7$
- 4Q02 based index =  $294.3 / 192.1 \times 100 = 153.2$
- 4Q97 based index =  $294.3 / 173.2 \times 100 = 169.9$
- 4Q92 based index =  $294.3 / 156.9 \times 100 = 187.6$
- 4Q87 based index =  $294.3 / 132.2 \times 100 = 222.6$

## Forecast vs. Actual All-Inclusive Index

### First Quarter 2013

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the first quarter actual index of 98.7 is 1.2 index points below the forecast value of 99.9. Therefore, the forecast error adjustment for third quarter 2013 is -1.2 index points.

	2011	First Quarter 2013		Amt
	Weights	Forecast	Actual	Difference
1. Labor	31.3%	389.7	389.7	
2. Fuel	22.5%	396.5	378.8	
3. M&S	5.1%	263.4	263.4	
4. Equipment Rents <sup>1</sup>	5.6%	206.7	207.6	
5. Depreciation	11.6%	212.2	217.9	
6. Interest	2.5%	92.9	92.9	
7. Other	21.4%	218.8	219.5	
8. Weighted Average				
a. 1980 = 100		310.0	306.8	
b. 1980 = 100 (linked)		297.3	293.6 <sup>2</sup>	
c. 4Q12 = 100 <sup>3</sup>		99.9	98.7	-1.2

**Forecast error**      **→ -1.2 index points**

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<sup>1</sup>	2011	First Quarter 2013	
	Weights	Forecast	Actual
Car-Hire	48.6%	178.4	179.1
Lease Rentals	51.4%	218.8	219.5
Weighted Average		199.2	199.9
Weighted Average (linked)		206.7	207.6

<sup>2</sup> Linked actual index = (actual index / previous actual index) x previous linked actual index.  
 293.6      =      306.8      /      313.5      x      300.0

<sup>3</sup> The 4Q12 based indexes are 1980 based indexes divided by the 4Q12 basing factor (297.5/100).  
 Other basing factors are: 4Q07 = 245.9; 4Q02 = 192.1; 4Q97 = 173.2; 4Q92 = 156.9; and 4Q87 = 132.2.



# Productivity

On February 11, 2013, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2011 to the Productivity Adjustment Factor (PAF) and removed the year 2006. This creates a geometric average annual productivity change, for the five-year period 2007 through 2011, of 0.9 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.009 is the same as an increase of 0.9 percent. Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The quarter productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate, which are the fourth root of the geometric average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the five-year productivity trend.

<b>Comparison of Output, Input, &amp; Productivity</b>			
<b>2007 - 2011</b>			
Year	Output Index (1)	Input Index (2)	Productivity <sup>1</sup> Changes (3)
2007	1.000	0.996	1.004
2008	0.990	0.970	1.021
2009	0.847	0.861	0.984
2010	1.109	1.070	1.036
2011	1.041	1.041	1.000
<b>Average</b>			<b>1.009</b>
Previous Average (2006-2010)			1.008

<sup>1</sup> The values shown in Column 3 are based on full float calculations and may not exactly match numbers calculated using the rounded numbers displayed in Columns 1 and 2.

<b>Calculation of PAF and PAF-5</b>			
For 2007-2011, use fourth root of avg. productivity change = 1.0022			
For 2006-2010, use fourth root of avg. productivity change = 1.0020			
Quarter	Year	PAF	PAF-5
Q1	2013	2.2907	2.4279
Q2	2013	2.2957	2.4328
Q3	2013	2.3008	2.4377
Q4	2013	2.3059	2.4426
Q1	2014	2.3110	2.4480

## Rail Cost Adjustment Factor

### Third Quarter 2013

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. **Note that, beginning with 2013Q1, the All-Inclusive Index is on a 2012Q4=100 basis.**

	Previous 2013Q2	Current 2013Q3	Percent Change
All-Inclusive Index <sup>1</sup>	100.3	98.9	-1.4
Preliminary RCAF <sup>2</sup>	1.003	0.989	-1.4
Forecast Error Adjustment <sup>3</sup>	<u>0.003</u>	<u>-0.012</u>	
RCAF (Unadjusted) <sup>4</sup>	1.006	0.977	-2.9
Productivity Adjustment Factor <sup>5</sup>	<u>2.2957</u>	<u>2.3008</u>	
RCAF (Adjusted) <sup>6</sup>	0.438	0.425	-3.0
PAF-5 <sup>7</sup>	2.4328	2.4377	
RCAF-5 <sup>8</sup>	0.414	0.401	-3.1

<sup>1</sup> See All-Inclusive Index on page 3.

<sup>2</sup> All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0).

<sup>3</sup> The current figure is from Forecast vs. Actual All-Inclusive Index in this filing (page 4). The previous quarter figure is shown in a similar section of the previous quarter's filing.

<sup>4</sup> Preliminary RCAF plus the forecast error adjustment.

<sup>5</sup> See Productivity on page 5.

<sup>6</sup> RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

<sup>7</sup> See Productivity on page 5.

<sup>8</sup> RCAF (Unadjusted) divided by the PAF-5.

# Appendixes

## Labor

### Third Quarter 2013

The third quarter 2013 Labor Index is forecast to increase 1.4 percent from the previous quarter. Much of the increase was caused by a 3 percent general wage increase for most union employees.

#### Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 1.0 percent from the previous quarter. Many unionized employees will receive a 3 percent general wage increase to their base wages effective July 1. In addition, one railroad's annual incentive compensation bonus was paid at a much higher rate than last year. Partially offsetting these increases were lower lump sum and back pay rates.

**Wage Increases:** All members of the national unions will receive a 3 percent general wage increase in July. Many independent labor agreements also have 3 percent general wage increases scheduled for July 1. Wages for non-union employees will not be increased in the index until January 1.

**Lump Sums:** The third quarter lump sum rate dropped 3.4 cents as more lump sum amounts became fully amortized and removed from the rate.

**Back Pay:** The third quarter back pay rate decreased substantially after the complete amortization and removal of back pay amounts related to last year's new national labor agreement with the BMW and an independent agreement with locomotive engineers. [See Appendix H for a list of railroad unions and their abbreviations.] Two additional (and smaller) amounts were also removed. The current rate is now negative because of a negative amount added in the second quarter when one railroad's conductors were rebenchmarked from national-agreement to independent.

**Other:** In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. The payment made in early 2012 is now completely amortized, and has been replaced with the payment made in early 2013. This year's payout was at a much higher rate than the previous year, causing the large increase (9.2 cents) in the rate.

#### Supplements Index

The Supplements Index increased 1.8 percent. Higher health & welfare costs, caused by the removal of a health & welfare credit, caused much of the increase.

**Health & Welfare:** The Health & Welfare rate increased by \$0.201. The increase was caused by the complete amortization and removal of an overpayment credit caused by overpayments in the first half of 2012. The credit was caused by retroactive health & welfare contribution rates (which were lower than 2011) for 2012 that were not announced until the second quarter of the year.

**Railroad Retirement:** The Railroad Retirement rate increased 5.9 cents because of higher taxable earnings caused by July's general wage increases for most unions. Although third quarter taxable income is higher than the previous quarter, it is still lower than the third and fourth quarters 2012 – and the first quarter of 2013.

## **Labor**

### **Third Quarter 2013**

***Unemployment Insurance:*** The Unemployment Insurance rate was unchanged. The maximum taxable earnings is too low for the higher taxable income to affect Unemployment Insurance contributions.

***Other:*** The "Other" category is a reflection of all other fringe benefits, and currently contain known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. For the third quarter, the rate increased 3.3 cents as employer matches and awards increased in all categories.

### **Labor Index Calculation**

As shown in Table A-1 on the next page, the 1.0 percent increase in the Wage Rate Index and the 1.8 percent increase in the Supplements Index combined to cause a 1.4 percent increase in the Labor Index. The linked third quarter 2013 index is 390.4. This is the first increase for the Labor Index since the third quarter of 2012, and the index is still below the third and fourth quarters of 2012.

## Labor

### Third Quarter 2013

Table A-1 Labor Index

	2013Q2	2013Q3	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$37.609	\$38.306	1.9%	\$0.697
Adjustments:				
Lump Sum	0.278	0.244	-12.2%	-0.034
Back Pay	0.324	-0.044	-113.6%	-0.368
Other	0.121	0.213	76.0%	0.092
<b>Total Wages</b>	<u>38.332</u>	<u>38.719</u>	1.0%	0.387
Health & Welfare Benefits	7.764	7.965	2.6%	0.201
RR Retirement & Medicare	7.893	7.952	0.7%	0.059
Unemployment Insurance	0.059	0.059	0.0%	0.000
Other	0.122	0.155	27.0%	0.033
<b>Total Supplements</b>	<u>\$15.838</u>	<u>\$16.131</u>	1.8%	0.293
Total Labor	\$54.170	\$54.850		
<b>Wage Index<sup>1</sup></b>	328.0	331.4	1.0%	
<b>Supplements Index<sup>2</sup></b>	585.3	596.1	1.8%	
Total labor Index, 2011 Weights <sup>3</sup>	409.0	414.8		
<b>Labor Index (linked)<sup>4</sup></b>	<b>384.9</b>	<b>390.4</b>	1.4%	

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<sup>1</sup> 1980 wage rate \$11.685

<sup>2</sup> 1980 supplements rate \$2.706

<sup>3</sup> 2011 weights: wages, supplements 68.5% 31.5%

<sup>4</sup> 2013Q3 linked Index = 2013Q2 linked x (2013Q3 / 2013Q2)  
                               = 384.9           x 414.8 / 409.0

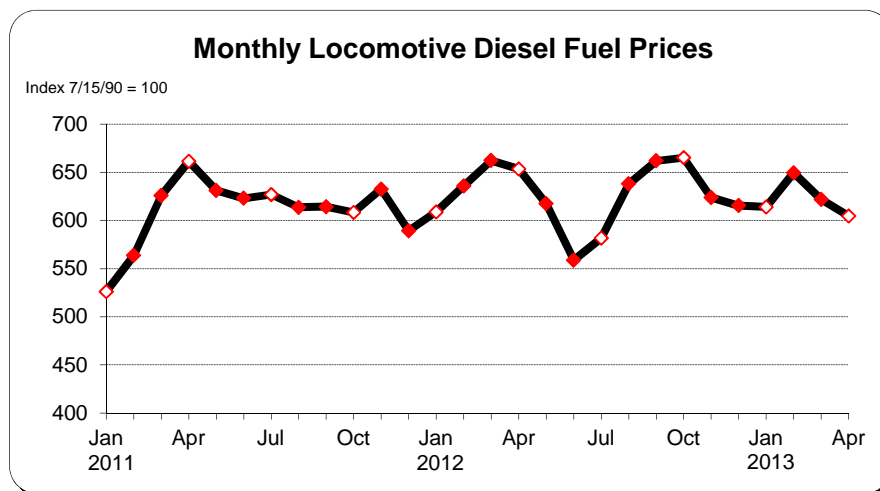
## Fuel

### Third Quarter 2013

The forecast for fuel is based on: (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications. Fuel purchases are assumed to remain in inventory for 30 days before the fuel is consumed (and therefore expensed). Therefore, prices paid in the first month of each quarter are for fuel expensed in the second (or middle) month of the quarter, and the middle month is

While the latest average prices for locomotive diesel fuel are available only through April, the Energy Information Administration (EIA) has weekly data through most of May for related fuel types. Spot prices for number 2 heating oil decreased slightly during the two most recent weeks in May, but were still above their prices during the last half of April.\* Crude oil futures prices declined for the week ending May 24, possibly caused by increased domestic production and stocks that are above the five-year average range.\*\*

Locomotive diesel fuel prices decreased in March and April. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2011 through April 2013. Railroads believe prices for July 2013 (Q3) will be 7.1 percent below the second quarter forecast (represented by April 2013), but 0.7 percent above the average price actually paid for April.



Forecast Fuel Index (1980 = 100)	375.6
Change from previous quarter forecast	-7.1%
Change from previous quarter actual	0.7%

\* Heating oil and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

\*\* Diesel fuel used by locomotives is made from refined crude oil, and therefore usually has some price correlation.

## Materials & Supplies

### Third Quarter 2013

The third quarter 2013 Materials & Supplies Index increased 1.2 percent from the previous quarter. The change was caused by increases in prices in the Metal Products and Miscellaneous Products categories. This is the first increase for this index since one year ago, and the current value is still below its value for third quarter 2012.

2013Q3 Materials & Supplies Index = 264.2

2013Q2 Materials & Supplies Index = 261.0

Difference	3.2 basis points
	or
	1.2 %



## Equipment Rents

### Third Quarter 2013

The Equipment Rents Index consists of two components – car hire and lease rentals. The methodology used to create these two components and the final Equipment Rents Index are explained below.

#### Car Hire

The car hire component is indexed using data from the Car Hire Accounting Rate Master (CHARM) file. Car hire rates for the forecast quarter are estimated based on data for active freight cars using the most recent month available. For the first quarter, December 1 of the previous year is used. For the second, third and fourth quarters; March 1, June 1, and September 1 are used, respectively. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

#### Lease Rentals

The lease rentals portion of the Equipment Rents Index uses the Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF). The Commission adopted this surrogate in its decision served March 13, 1987. The AAR uses six years of historical data to derive its forecast for the PPI-LF. The forecast is used not only for lease rentals, but also for the "Other" component of the All-Inclusive Index. Appendix G discusses the forecast in more detail.

#### Equipment Rents Index Calculation

The table below calculates the Equipment Rent Index. The third quarter Car Hire portion of the Index increased 0.5 percent, mostly because of higher rates for tank cars and autoracks. A 0.5 percent increase for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.5 percent increase for Car Hire, caused the Equipment Rent Index to increase 0.5 percent.

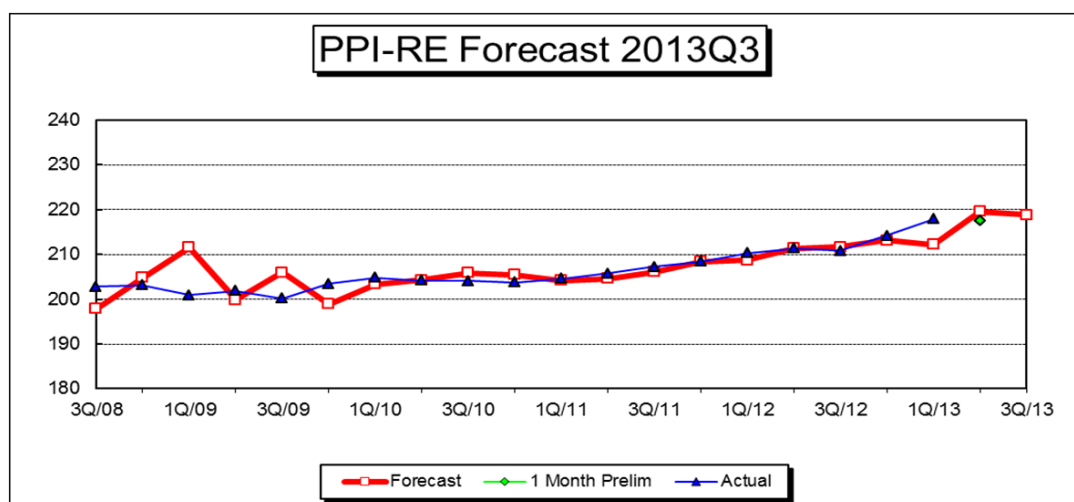
	2011 Weight	2013Q2	2013Q3	Percent Change
Car Hire	48.6%	177.4	178.3	0.5 %
Lease Rentals	51.4%	220.2	221.4	0.5
Weighted Average		199.4	200.5	0.6
Weighted Average (Linked)		206.9	208.0	0.5

## Depreciation

### Third Quarter 2013

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA (Auto-Regressive Integrated Moving Average) process where a statistical package picks the model that best fits the historical data set (see next page), and that model is then used for the forecast. The historical data set contains 6 years of monthly data (a sample size of 72), where the most recent available data point is the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent period available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix on a 1982=100 basis. The figure forecast by the model reflects monthly PPI-RE figures that jumped in October and January. The small decrease for the third quarter forecast might be caused by a second quarter forecast that was slightly high.

Forecast of Depreciation Index (1982=100)	197.9
Forecast of Depreciation Index (1980=100)	218.9
Change from previous quarter forecast	-0.3%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	3.8%



## Depreciation

### Third Quarter 2013

#### PPI RAILROAD EQUIPMENT

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.69347	196.71
Trend	0.01840	0.29158

#### Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 184.9	Standard deviation 5.548
R-square 0.9617	Adjusted R-square 0.9612
Durbin-Watson 1.953	Ljung-Box(18)=15.4 P=0.366
Forecast error 1.093	BIC 1.144
MAPE 0.003668	RMSE 1.078
MAD 0.68	

#### Actual Values for the Most Recent 6 Periods:

Date	Actual
2012-11	193.900
2012-12	194.100
2013-01	197.700
2013-02	197.200
2013-03	196.000
2013-04	196.700

#### Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2013-05	194.760	197.003	199.245
2013-06	194.549	197.294	200.039
2013-07	194.417	197.586	200.755
2013-08	194.334	197.877	201.420
2013-09	194.288	198.169	202.050
<b>QTR AVG</b>	<b>194.346</b>	<b>197.877</b>	<b>201.408</b>

## Interest

### Third Quarter 2013

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2012, the Interest Index is based on data for 2011.

The interest index is the latest year's interest rate divided by 7.85 percent, which was the interest rate in the 1980 base period.

#### Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

#### Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

2011	Interest Rate	7.29%
1980	Interest Rate	7.85%
<b>2013Q3</b>	<b>Interest Index</b>	<b>92.9</b>
2013Q2	Interest Index	92.9
	Percent Change	0.0%

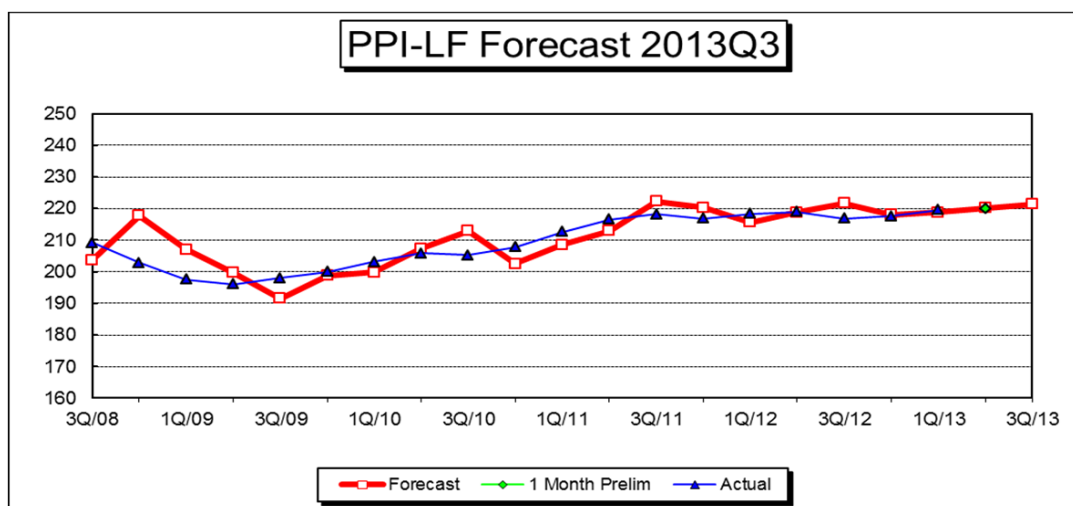
## Other Expenses

### Third Quarter 2013

The Producer Price Index for Industrial Commodities less Fuels and Related Products and Power (PPI-LF) is used to index purchased services, casualties and insurance, loss and damage, taxes (other than income and payroll), general and administrative expenses, and lease rentals. These expenses, when grouped together, are usually called "Other" expenses.

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the third quarter reflects stability in the monthly PPI-LF figures, which have increased and decreased by small amounts recent months.

Forecast of Other Expense Index (1982=100)	197.5
Forecast of Other Expense Index (1980=100)	221.4
Change from previous quarter forecast	0.5%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	2.1%



## Other Expenses

### Third Quarter 2013

#### PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Recommended model: Exponential Smoothing

Forecast Model for PPILF

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	1.00000	196.20
Trend	0.01864	0.31872

#### Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 184.6	Standard deviation 8.422
R-square 0.9832	Adjusted R-square 0.983
Durbin-Watson 0.5601	**Ljung-Box(18)=91.51 P=1
Forecast error 1.098	BIC 1.149
MAPE 0.004285	RMSE 1.083
MAD 0.7879	

#### Actual Values for the Most Recent 6 Periods:

Date	Actual
2012-11	194.000
2012-12	194.200
2013-01	195.100
2013-02	196.000
2013-03	196.400
2013-04	196.200

#### Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2013-05	194.266	196.519	198.772
2013-06	193.622	196.837	200.053
2013-07	193.206	197.156	201.107
2013-08	192.906	197.475	202.044
2013-09	192.681	197.794	202.906
<b>QTR AVG</b>	<b>192.931</b>	<b>197.475</b>	<b>202.019</b>

## Railroad and Union Abbreviations

### Third Quarter 2013

#### ***Railroads***

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
D&H	Delaware & Hudson (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
EJE	Elgin, Joliet & Eastern Railway (Part of CN's Grand Trunk Corp.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp.)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k.a. Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (the largest of Canadian Pacific's U.S. operations.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

#### ***Major Unions Involved with Railroads***

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Div. of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

#### ***Predecessor Unions (Some AAR databases use these old abbreviations.)***

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

# **Workpapers Sent to STB for 2013 Q3 RCAF**

June 5, 2013

1. Index Calculation Spreadsheet (index\_calc.xls, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages )
5. Relevant wage increase pages from national labor agreements
6. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
7. 2013/Q3 RCAF Lump Sum Amortization summary, public version (1 page)
8. 2013/Q3 RCAF Back Pay Amortization summary, public version (1 page)
9. Health & Welfare worksheet
10. Health & Welfare credit memo
11. Railroad Retirement spreadsheet (5 pages)
12. Unemployment Insurance Tax worksheet
13. 2-page SAS run for Q3 Unemployment Insurance Tax
14. 3 pages from the Energy Information Administration's *This Week in Petroleum*
15. Summary of Materials & Supplies (one page)
16. Car Hire Spreadsheet (2 pages) plus source data page for June 2013
17. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
18. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
19. Forecast Error calculation and workpapers (10 pages: calc, index, fuel, 3 car hire, 2 deprec, 2 other)



**RCAF All-Inclusive Index's Labor Index Based on 2011 Benchmarks**

	11 Wts.	3Q/12 Original	3Q/12 Rebenchd As Info Only	% Chg	4Q/12	% Chg	1Q/13	% Chg	2Q/13	% Chg	3Q/13	% Chg
Straight Time		\$29.794	\$29.881	0.3%	\$29.902	0.4%	\$30.313	1.4%	\$30.317	0.0%	\$30.866	1.8%
PFTNW		\$7.288	\$7.260	-0.4%	\$7.265	-0.3%	\$7.298	0.5%	\$7.292	-0.1%	\$7.440	2.0%
Total		\$37.082	\$37.141	0.2%	\$37.167	0.2%	\$37.611	1.2%	\$37.609	0.0%	\$38.306	1.9%
Adjustments												
Lump Sum		\$0.446	\$0.424		\$0.446		\$0.446		\$0.278		\$0.244	
Back Pay		\$1.092	\$1.038		\$1.060		\$0.780		\$0.324		(\$0.044)	
Other		\$0.128	\$0.121		\$0.121		\$0.121		\$0.121		\$0.213	
<b>Total Wages</b>		<b>\$38.748</b>	<b>\$38.724</b>	<b>-0.1%</b>	<b>\$38.794</b>	<b>0.1%</b>	<b>\$38.958</b>	<b>0.4%</b>	<b>\$38.332</b>	<b>-1.6%</b>	<b>\$38.719</b>	<b>1.0%</b>
Pre-Tax Reduction		(\$1.179)	(\$1.178)		(\$1.181)		(\$1.187)		(\$1.188)		(\$1.187)	
<b>Taxable Wages</b>		<b>\$37.569</b>	<b>\$37.546</b>		<b>\$37.613</b>		<b>\$37.771</b>		<b>\$37.144</b>		<b>\$37.532</b>	
H & W		\$7.985	\$7.873	-1.4%	\$7.871	-1.4%	\$7.765	-1.3%	\$7.764	0.0%	\$7.965	2.6%
RR Ret & Medicare		\$7.588	\$7.704	1.5%	\$7.709	1.6%	\$7.988	3.6%	\$7.893	-1.2%	\$7.952	0.7%
Unemp. Insurance		\$0.434	\$0.431	-0.7%	\$0.431	-0.7%	\$0.059	-86.3%	\$0.059	0.0%	\$0.059	0.0%
Other		\$0.219	\$0.209	-4.6%	\$0.107	-51.1%	\$0.146	36.4%	\$0.122	-16.4%	\$0.155	27.0%
Total		\$16.226	\$16.217	-0.1%	\$16.118	-0.7%	\$15.958	-1.0%	\$15.838	-0.8%	\$16.131	1.8%
Adjustments												
<b>Total Supplements</b>		<b>\$16.226</b>	<b>\$16.217</b>	<b>-0.1%</b>	<b>\$16.118</b>	<b>-0.7%</b>	<b>\$15.958</b>	<b>-1.0%</b>	<b>\$15.838</b>	<b>-0.8%</b>	<b>\$16.131</b>	<b>1.8%</b>
Total Labor		\$54.974	\$54.941	-0.1%	\$54.912	-0.1%	\$54.916	0.0%	\$54.170	-1.4%	\$54.850	1.3%
Wage Rate Index	0.6850	331.6	331.4	-0.1%	332.0	0.1%	333.4	0.4%	328.0	-1.6%	331.4	1.0%
Supplements Index	0.3150	599.6	599.3	-0.1%	595.6	-0.7%	589.7	-1.0%	585.3	-0.7%	596.1	1.8%
Total Labor Index '10 Wts.		412.5										
Total Labor Index '11 Wts.		416.0	415.8	0.0%	415.0	-0.2%	414.1	-0.2%	409.0	-1.2%	414.8	1.4%
<b>Labor Index (Linked)</b>		<b>391.4</b>			<b>390.5</b>	<b>-0.2%</b>	<b>389.7</b>	<b>-0.2%</b>	<b>384.9</b>	<b>-1.2%</b>	<b>390.4</b>	<b>1.4%</b>

### All Inclusive Index and RCAF

		3Q/12	3Q/12 11 Wts	% Chg	4Q/12	% Chg	1Q/13	% Chg	2Q/13	% Chg	3Q/13	% Chg
Labor	0.313	391.40	391.4	0.0%	390.5	-0.2%	389.7	-0.2%	384.9	-1.2%	390.4	1.4%
Fuel	0.225	353.40	353.4	0.0%	403.3	14.1%	396.5	-1.7%	404.3	2.0%	375.6	-7.1%
M&S	0.051	274.80	274.8	0.0%	266.1	-3.2%	263.4	-1.0%	261.0	-0.9%	264.2	1.2%
Equip. Rents	0.056	205.80	205.8	0.0%	205.7	0.0%	206.7	0.5%	206.9	0.1%	208.0	0.5%
Depreciation	0.116	211.70	211.7	0.0%	213.2	0.7%	212.2	-0.5%	219.6	3.5%	218.9	-0.3%
Interest	0.025	90.60	90.6	0.0%	92.9	2.5%	92.9	0.0%	92.9	0.0%	92.9	0.0%
Other	0.214	221.60	221.6	0.0%	218.0	-1.6%	218.8	0.4%	220.2	0.6%	221.4	0.5%
Weighted Avg. Linked	1.000	298.50	301.8	1.1%	311.8	3.3%	310.0	-0.6%	311.3	0.4%	306.9	-1.4%
		289.40			299.0	3.3%	297.3	-0.6%	298.5	0.4%	294.3	-1.4%
	Basing Factor											
10/1/80 basis	102.7	281.80			291.1	3.3%	289.5	-0.5%	290.7	0.4%	286.6	-1.4%
10/1/82	120.9	239.40			247.3	3.3%	245.9	-0.6%	246.9	0.4%	243.4	-1.4%
4Q/87	132.2	218.90			226.2	3.3%	224.9	-0.6%	225.8	0.4%	222.6	-1.4%
4Q/92	156.9	184.40			190.6	3.4%	189.5	-0.6%	190.2	0.4%	187.6	-1.4%
4Q/97	173.2	167.10			172.6	3.3%	171.7	-0.5%	172.3	0.3%	169.9	-1.4%
4Q/02	192.1	150.70			155.6	3.3%	154.8	-0.5%	155.4	0.4%	153.2	-1.4%
4Q/07	245.9	117.70			121.6	3.3%	120.9	-0.6%	121.4	0.4%	119.7	-1.4%
4Q/12 basis	297.5	97.30			100.5	3.3%	99.9	-0.6%	100.3	0.4%	98.9	-1.4%
Car Hire	0.486	173.60	173.6	0.0%	177.3	2.1%	178.4	0.6%	177.4	-0.6%	178.3	0.5%
Lease Rents	0.514	221.60	221.6	0.0%	218.0	-1.6%	218.8	0.4%	220.2	0.6%	221.4	0.5%
Wghted Avg Eq Rents		199.60	198.3	-0.7%	198.2	-0.1%	199.2	0.5%	199.4	0.1%	200.5	0.6%
Linked Equipment Rents		205.80			205.7	0.0%	206.7	0.5%	206.9	0.1%	208.0	0.5%
Preliminary RCAF		0.973			1.005	3.29%	0.999	-0.6%	1.003	0.4%	0.989	-1.4%
Forecast Error Adj.		(0.005)			(0.005)		(0.002)		0.003		(0.012)	
RCAF Unadjusted		0.968			1.000	3.31%	0.997	-0.3%	1.006	0.9%	0.977	-2.9%
PAF		2.2815			2.2861	0.20%	2.2907	0.20%	2.2957	0.22%	2.3008	0.2%
RCAF Adjusted		0.424			0.437	3.07%	0.435	-0.5%	0.438	0.7%	0.425	-3.0%
PAF-5		2.4146			2.4231	0.35%	2.4279	0.20%	2.4328	0.20%	2.4377	0.20%
RCAF-5		0.401			0.413	2.99%	0.411	-0.5%	0.414	0.7%	0.401	-3.1%

**Note:**  
The RCAFs shown here for Q3 and Q4 have been recalculated using an All-Inclusive Index on a 4Q/12=100 base.

# Hourly Rate for 2013 Q3

## Straight Time and Time Paid For But Not Worked

**2013Q3 Straight Time Hourly Rate (from national spreadsheet)**

**\$30.409**

3 percent GWI for national unions

### Adjustments to 2011 base:

#### Adjustments added 2012 Q1

CN Railroads	DMIR BLET 2% GWI, \$0.18 for most unions, 2.5% GWI for non-unions	0.006
Misc. Independent BLET, Yardmasters, Dispatchers	2.5% GWI for BNSF, CSX BLET, CSX ATDA-East, and UP ATDA (non-union)	0.055
Soo Corp.	3% - 4 DME unions, \$0.18 - DH IAM, 2.5% - non-unions	0.003

#### Adjustments added 2012 Q2

CN Railroads	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	New national ATDA agreement including CSX ATDA-South with 2 retro GWIs	0.001
Soo Corp.	No change	0.000

#### Adjustments added 2012 Q3

CN Railroads	\$0.12 COLA for most unions	0.003
Misc. Independent BLET, Yardmasters, Dispatchers	4.3% GWI for CSX ATDA-south, 2% for NS BLET, new contract with retro GWIs for UP BLET	0.149
Soo Corp.	4.3% GWI for 5 DH unions, 3% GWI for DH UTU and UTU-YMD	0.001

#### Adjustments added 2012 Q4

CN Railroads	9 new contracts with retro GWIs	0.011
Misc. Independent BLET, Yardmasters, Dispatchers	new contract for UP Yardmasters with retro GWIs	0.007
Soo Corp.	7 new DH contracts with retro GWIs	0.003

#### Adjustments added 2013 Q1

CN Railroads	12 new contracts with retro GWI, \$0.09 COLA for some unions, 4.3% GWI for non-unions	0.017
Misc. Independent BLET, Yardmasters, Dispatchers	2.5% GWI for BNSF BLET; 3% for CSX ATDA-East & BLET; 4.3% for UP ATDA (non-union)	0.064
Soo Corp.	3% GWI for DME BRS & IAM; 2.81% for DME BLET; 2.87% for DME UTU; 4.3% for non-unions	0.003

#### Adjustments added 2013 Q2

CN Railroads	3 new contracts with retro GWIs	0.003
Misc. Independent ATDA, BLET, UTU, UTU-YMD	1 new contract with retro GWIs for a larger portion of 1 railroad's UTU	0.034
Soo Corp.	1 new contract with retro GWIs	0.004

#### Adjustments added 2013 Q3

CN Railroads	3% GWI for most unions; \$0.05 COLA for some other unions	0.014
Misc. Independent ATDA, BLET, UTU, UTU-YMD	2% GWI for NS BLET; 3% GWI for some unions	0.077
Soo Corp.	1 new contract with retro GWIs; 3% GWI for most DH unions	0.002

**Adjusted STHR Total**

**\$30.866**

### Pay For Time Not Worked

PFTNW (from national spreadsheet)

\$7.330

Ratio Adj STHR to Nat STHR

30.866 / 30.409 =

1.01503

**Adjusted Pay For Time Not Worked**

**\$7.440**

### Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC. Although DMIR and DW&P were consolidated effective January 1, 2012, some of the employees of those former railroads still have separate labor agreements.
2. The Miscellaneous group consists of independent (for wages) BLET, dispatchers, UTU and yardmasters.
3. Soo Corp. includes DH and DME only, since Soo Line participates in national agreements.

## RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

The national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

### Reduction Calculation for 3Q/2013

U.S. ST Hours = 305,798,449  
 Wage Statistics are for 2011.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,344	(\$198.00)	(\$60,217,344.00)
National BMWF (BNSF, CSX, KCS, NS, SOO, UP)	23,694	(\$198.00)	(\$56,296,944.00)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	6,847	(\$198.00)	(\$16,268,472.00)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,740	(\$198.00)	(\$16,014,240.00)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,316	(\$198.00)	(\$3,126,816.00)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,272	(\$198.00)	(\$12,526,272.00)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,350	(\$198.00)	(\$5,583,600.00)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,000	(\$198.00)	(\$2,376,000.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	6,068	(\$198.00)	(\$14,417,568.00)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,313	(\$198.00)	(\$22,127,688.00)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,481	(\$198.00)	(\$93,806,856.00)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,935	(\$198.00)	(\$4,597,560.00)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,799	(\$198.00)	(\$4,274,424.00)
Independent CNGT (wt avg all union categories)	6,135	(\$162.05)	(\$11,930,121.00)
Independent SLC (wt avg all DH & DME union categories)	1,319	(\$166.22)	(\$2,630,930.16)
<b>Total Union</b>	<b>138,613</b>		<b>(\$326,194,835.16)</b>
<b>All Other @ \$3,065,489.94 total per month</b>			<b>(\$36,785,879.28)</b>
<b>Total</b>			<b>(\$362,980,714.44)</b>

Reduction in Wage Rate Per ST Hour	-\$1.18699331
Deduct this amount from the Wage Rate	<b>-\$1.187</b>

## National Contracts U.S.

Straight Time Hourly Rate															Check Sum
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	1.00000
2011 Avg.	24.437	24.909	27.195	24.886	26.588	22.645	25.061	20.672	25.571	22.115	25.628	36.743	37.553	43.530	387.534
12/31/11	24.728	24.921	27.312	24.889	26.593	22.652	25.069	20.675	25.710	22.120	25.633	36.743	37.934	43.530	388.508
1/1/12	24.728	24.921	27.312	24.889	26.593	22.652	25.069	20.675	25.710	22.120	25.633	36.743	37.934	44.618	
4/1/12	24.728	25.930	27.357	26.000	27.740	22.652	26.145	21.588	26.838	23.070	26.747	37.274	37.934	44.618	
7/1/12	25.435	26.930	27.405	27.097	28.869	24.557	27.205	22.489	27.949	24.010	27.847	37.769	38.863	44.618	
10/1/12	25.435	26.930	27.405	27.097	28.869	24.557	27.205	22.489	27.949	24.010	27.847	37.769	38.863	44.618	
1/1/13	25.435	26.930	27.405	27.097	28.869	24.557	27.205	22.489	27.949	24.010	27.847	37.769	38.863	46.537	
4/1/13	25.285	26.930	27.405	27.097	28.869	24.557	27.205	22.489	27.949	24.010	27.847	37.769	38.863	46.537	
7/1/13	25.889	27.655	27.438	27.896	29.689	25.244	27.976	23.144	28.757	24.692	28.647	38.120	39.814	46.537	

	Weighted Straight Time Hourly Rate														
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2011 Avg.	5.867	0.937	4.725	0.149	1.169	3.427	1.465	0.289	1.042	0.174	0.825	0.505	0.381	7.408	28.362
12/31/11	5.936	0.937	4.745	0.149	1.169	3.428	1.465	0.289	1.048	0.175	0.825	0.505	0.385	7.408	28.463
1/1/12	5.936	0.937	4.745	0.149	1.169	3.428	1.465	0.289	1.048	0.175	0.825	0.505	0.385	7.593	28.649
4/1/12	5.936	0.975	4.753	0.155	1.219	3.428	1.528	0.301	1.094	0.182	0.861	0.513	0.385	7.593	28.924
7/1/12	6.106	1.013	4.761	0.162	1.269	3.717	1.590	0.314	1.139	0.189	0.896	0.519	0.394	7.593	29.663
10/1/12	6.106	1.013	4.761	0.162	1.269	3.717	1.590	0.314	1.139	0.189	0.896	0.519	0.394	7.593	29.663
1/1/13	6.106	1.013	4.761	0.162	1.269	3.717	1.590	0.314	1.139	0.189	0.896	0.519	0.394	7.919	29.990
4/1/13	6.070	1.013	4.761	0.162	1.269	3.717	1.590	0.314	1.139	0.189	0.896	0.519	0.394	7.919	29.953
7/1/13	6.215	1.040	4.767	0.167	1.305	3.821	1.635	0.323	1.172	0.195	0.922	0.524	0.404	7.919	30.409

Note: The 2011 Average and 12/31/11 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/12 through 7/1/13 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2011 are not shown on this page and are handled separately.

## National Contracts U.S.

Pay For Time Not Worked Hourly Rate															Check Sum
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.24006	0.03761	0.17374	0.00597	0.04395	0.15135	0.05846	0.01396	0.04076	0.00789	0.03218	0.01375	0.01014	0.17017	1.00000
2011 Avg.	11.155	5.133	11.343	3.813	5.928	4.175	4.139	3.452	4.734	3.139	4.867	7.364	10.328	1.704	81.273
12/31/11	11.287	5.136	11.391	3.813	5.929	4.176	4.140	3.453	4.760	3.139	4.868	7.364	10.433	1.704	
1/1/12	11.287	5.136	11.391	3.813	5.929	4.176	4.140	3.453	4.760	3.139	4.868	7.364	10.433	1.747	
4/1/12	11.287	5.343	11.410	3.983	6.185	4.176	4.318	3.605	4.968	3.274	5.080	7.470	10.433	1.747	
7/1/12	11.610	5.550	11.430	4.152	6.437	4.527	4.493	3.756	5.174	3.408	5.289	7.570	10.688	1.747	
10/1/12	11.610	5.550	11.430	4.152	6.437	4.527	4.493	3.756	5.174	3.408	5.289	7.570	10.688	1.747	
1/1/13	11.610	5.550	11.430	4.152	6.437	4.527	4.493	3.756	5.174	3.408	5.289	7.570	10.688	1.822	
4/1/13	11.542	5.550	11.430	4.152	6.437	4.527	4.493	3.756	5.174	3.408	5.289	7.570	10.688	1.822	
7/1/13	11.817	5.699	11.444	4.274	6.619	4.654	4.620	3.865	5.324	3.504	5.440	7.640	10.950	1.822	

	Pay For Time Not Worked Hourly Rate														
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2011 Avg.	2.678	0.193	1.971	0.023	0.261	0.632	0.242	0.048	0.193	0.025	0.157	0.101	0.105	0.290	6.917
12/31/11	2.710	0.193	1.979	0.023	0.261	0.632	0.242	0.048	0.194	0.025	0.157	0.101	0.106	0.290	6.960
1/1/12	2.710	0.193	1.979	0.023	0.261	0.632	0.242	0.048	0.194	0.025	0.157	0.101	0.106	0.297	6.967
4/1/12	2.710	0.201	1.982	0.024	0.272	0.632	0.252	0.050	0.203	0.026	0.163	0.103	0.106	0.297	7.021
7/1/12	2.787	0.209	1.986	0.025	0.283	0.685	0.263	0.052	0.211	0.027	0.170	0.104	0.108	0.297	7.207
10/1/12	2.787	0.209	1.986	0.025	0.283	0.685	0.263	0.052	0.211	0.027	0.170	0.104	0.108	0.297	7.207
1/1/13	2.787	0.209	1.986	0.025	0.283	0.685	0.263	0.052	0.211	0.027	0.170	0.104	0.108	0.310	7.220
4/1/13	2.771	0.209	1.986	0.025	0.283	0.685	0.263	0.052	0.211	0.027	0.170	0.104	0.108	0.310	7.204
7/1/13	2.837	0.214	1.988	0.026	0.291	0.704	0.270	0.054	0.217	0.028	0.175	0.105	0.111	0.310	7.330

# U.S. National Contract

## UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.				24.43741	11.15476
12/31/11 Industry Rate				24.72775	11.28729
1/1/12			95.341%	24.72775	11.28729
4/1/12			95.341%	24.72775	11.28729
7/1/12	3.00%		95.341%	25.43502	11.61013
10/1/12			95.341%	25.43502	11.61013
1/1/13			95.341%	25.43502	11.61013
4/1/13			79.608%	25.28493	11.54162
7/1/13	3.00%		79.608%	25.88879	11.81726

Adjusted to remove 1 railroad from national agreement group. Railroad will be handled as independent.

## TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.				24.90884	5.13304
12/31/11 Industry Rate				24.92116	5.13558
1/1/12			89.736%	24.92116	5.13558
4/1/12			89.736%	25.92986	5.34344
7/1/12	4.30%		89.736%	26.93040	5.54963
10/1/12			89.736%	26.93040	5.54963
1/1/13			89.736%	26.93040	5.54963
4/1/13			89.736%	26.93040	5.54963
7/1/13	3.00%		89.736%	27.65538	5.69903

New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.

## BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.				27.19547	11.34276
12/31/11 Industry Rate				27.31208	11.39139
1/1/12			4.052%	27.31208	11.39139
4/1/12			4.052%	27.35746	11.41032
7/1/12	4.30%		4.052%	27.40513	11.43020
10/1/12			4.052%	27.40513	11.43020
1/1/13			4.052%	27.40513	11.43020
4/1/13			4.052%	27.40513	11.43020
7/1/13	3.00%		4.052%	27.43844	11.44409

New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.

## SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		24.88613	3.81274
12/31/11 Industry Rate				24.88862	3.81312
1/1/12			98.190%	24.88862	3.81312
4/1/12			98.190%	25.99960	3.98333
7/1/12	4.30%		98.190%	27.09735	4.15152
10/1/12			98.190%	27.09735	4.15152
1/1/13			98.190%	27.09735	4.15152
4/1/13			98.190%	27.09735	4.15152
7/1/13	3.00%		98.190%	27.89556	4.27381

## BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		26.58784	5.92797
12/31/11 Industry Rate				26.59326	5.92918
1/1/12			94.636%	26.59326	5.92918
4/1/12			94.636%	27.74018	6.18489
7/1/12	4.30%		94.636%	28.86902	6.43658
10/1/12			94.636%	28.86902	6.43658
1/1/13			94.636%	28.86902	6.43658
4/1/13			94.636%	28.86902	6.43658
7/1/13	3.00%		94.636%	29.68863	6.61932

## BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10, 2.5% GWI on 7/1/11, and 4.3% GWI on 7/1/12.		22.64510	4.17452
12/31/11 Industry Rate				22.65158	4.17571
1/1/12			93.244%	22.65158	4.17571
4/1/12			93.244%	22.65158	4.17571
7/1/12	4.30%		93.244%	24.55718	4.52700
10/1/12			93.244%	24.55718	4.52700
1/1/13			93.244%	24.55718	4.52700
4/1/13			93.244%	24.55718	4.52700
7/1/13	3.00%		93.244%	25.24412	4.65364



## TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		25.06149	4.13882
12/31/11 Industry Rate				25.06857	4.13999
1/1/12			94.357%	25.06857	4.13999
4/1/12			94.357%	<b>26.14470</b>	4.31771
7/1/12	4.30%		94.357%	27.20548	4.49289
10/1/12			94.357%	27.20548	4.49289
1/1/13			94.357%	27.20548	4.49289
4/1/13			94.357%	27.20548	4.49289
7/1/13	3.00%		94.357%	27.97558	4.62007

## NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		20.67190	3.45226
12/31/11 Industry Rate				20.67514	3.45280
1/1/12			97.101%	20.67514	3.45280
4/1/12			97.101%	<b>21.58774</b>	3.60520
7/1/12	4.30%		97.101%	22.48910	3.75573
10/1/12			97.101%	22.48910	3.75573
1/1/13			97.101%	22.48910	3.75573
4/1/13			97.101%	22.48910	3.75573
7/1/13	3.00%		97.101%	23.14421	3.86514

## IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10, \$0.03 COLA on 1/1/11 rolled in, and 2.5% GWI on 7/1/11.		25.57094	4.73379
12/31/11 Industry Rate				25.71037	4.75960
1/1/12		IAM 1/1/12 COLA suspended in anticipation of new agreement.	96.316%	25.71037	4.75960
4/1/12			96.316%	<b>26.83782</b>	4.96832
7/1/12	4.30%		96.316%	27.94932	5.17409
10/1/12			96.316%	27.94932	5.17409
1/1/13			96.316%	27.94932	5.17409
4/1/13			96.316%	27.94932	5.17409
7/1/13	3.00%		96.316%	28.75691	5.32359

# U.S. National Contract

## IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		22.11472	3.13858
12/31/11 Industry Rate				22.12001	3.13933
1/1/12			94.739%	22.12001	3.13933
4/1/12			94.739%	23.07000	3.27415
7/1/12	4.30%		94.739%	24.00983	3.40753
10/1/12			94.739%	24.00983	3.40753
1/1/13			94.739%	24.00983	3.40753
4/1/13			94.739%	24.00983	3.40753
7/1/13	3.00%		94.739%	24.69223	3.50438

## IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		25.62757	4.86698
12/31/11 Industry Rate				25.63268	4.86795
1/1/12			95.711%	25.63268	4.86795
4/1/12			95.711%	26.74663	5.07950
7/1/12	4.30%		95.711%	27.84741	5.28855
10/1/12			95.711%	27.84741	5.28855
1/1/13			95.711%	27.84741	5.28855
4/1/13			95.711%	27.84741	5.28855
7/1/13	3.00%		95.711%	28.64700	5.44041

## ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		36.74320	7.36406
12/31/11 Industry Rate				36.74320	7.36406
1/1/12			30.923%	36.74320	7.36406
4/1/12			30.923%	37.27373	7.47039
7/1/12	4.30%		30.923%	37.76934	7.56972
10/1/12			30.923%	37.76934	7.56972
1/1/13			30.923%	37.76934	7.56972
4/1/13			30.923%	37.76934	7.56972
7/1/13	3.00%		30.923%	38.11972	7.63994

## YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.				37.55322	10.32832
12/31/11 Industry Rate				37.93376	10.43298
1/1/12			81.616%	37.93376	10.43298
4/1/12			81.616%	37.93376	10.43298
7/1/12	3.00%		81.616%	38.86256	10.68843
10/1/12			81.616%	38.86256	10.68843
1/1/13			81.616%	38.86256	10.68843
4/1/13			81.616%	38.86256	10.68843
7/1/13	3.00%		81.616%	39.81410	10.95014

## OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2011 Industry Avg.				43.52987	1.70430
12/31/11 Industry Rate				43.52987	1.70430
1/1/12	2.50%		100.000%	44.61811	1.74691
4/1/12			100.000%	44.61811	1.74691
7/1/12			100.000%	44.61811	1.74691
10/1/12			100.000%	44.61811	1.74691
1/1/13	4.30%		100.000%	46.53669	1.82203
4/1/13			100.000%	46.53669	1.82203
7/1/13			100.000%	46.53669	1.82203

## Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2011 AVG			387.53370	81.27289
12/31/11			388.50804	

Q1 should match check sum on original National Increase Applicability for U.S. Total page.

1165.961%

ok matches

ok matches

ok matches

ok matches

All three should match check sums on U.S. Benchmark page.

Last quarter should match check sum on National Increase Applicability for U.S. Total page dated 2/6/13 after one railroad was removed from national group for one union..

1150.227%

ok matches

adjustment shall be made.

**Section 4 – Fourth General Wage Increase**

Effective July 1, 2013, each basic monthly rate of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

**Section 5 – Fifth General Wage Increase**

Effective July 1, 2014, each basic monthly rate of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

**Section 6 – Sixth General Wage Increase**

Effective January 1, 2015, each basic monthly rate of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

**ARTICLE II – LUMP SUM PAYMENT**

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

**Section 2 - Second General Wage Increase**

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the BLET shall be increased by two-and-one-half (2.5) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the BLET shall be increased by four-and-three-tenths (4.3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 4 – Fourth General Wage Increase**

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 5 – Fifth General Wage Increase**

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the BLET shall be increased by three-and-eight-tenths (3.8) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 6 – Sixth General Wage Increase**

Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

(h) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

**Section 2 - Second General Wage Increase**

Effective July 1, 2011, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2013 for employees covered by this

Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

#### **Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

#### **Section 6 - Sixth General Wage Increase**

Effective January 1, 2015, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

### **ARTICLE II – LUMP SUM PAYMENT**

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

**Section 2 - Second General Wage Increase**

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011, for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012, for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013, for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.



**Section 3 - Third General Wage Increase**

Effective July 1, 2012 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 5 – Fifth General Wage Increase**

Effective July 1, 2014 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 6 – Sixth General Wage Increase**

Effective January 1, 2015 all hourly, daily, weekly and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided

**Section 2 - Second General Wage Increase**

Effective July 1, 2011 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

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**Section 4 - Fourth General Wage Increase**

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**Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 6 - Sixth General Wage Increase**

Effective January 1, 2015, all hourly, daily, weekly and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

### **Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment.

### **Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment.

### **Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment.

### **Section 6 - Sixth General Wage Increase**

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment.

## **ARTICLE II - LUMP SUM PAYMENT**

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the

this increase irrespective of the method of payment.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 6 - Sixth General Wage Increase**

Effective January 1, 2015, all hourly, daily, weekly and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

**Section 4 - Fourth General Wage Increase**

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**Section 6 - Sixth General Wage Increase**

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**Section 2 - Second General Wage Increase**

Effective July 1, 2011, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 3 - Third General Wage Increase**

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 4 - Fourth General Wage Increase**

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

**Section 5 - Fifth General Wage Increase**

Effective July 1, 2014, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of

**Section 2 - Second General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 3 - Third General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 4 – Fourth General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

**Section 5 – Fifth General Wage Increase** (for other than Dining Car Stewards)

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.



three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

#### **Section 4 – Fourth General Wage Increase**

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

#### **Section 5 – Fifth General Wage Increase**

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

#### **Section 6 – Sixth General Wage Increase**

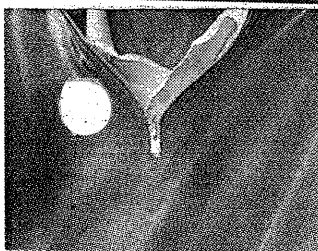
Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

#### **Section 7 – Application of Wage Increases**

Special allowances not included in fixed daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments will not be increased.

0.045%

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Venture capitalist Vinod Khosla

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challeng-  
Mr. Gat-  
Khosla  
spread  
techno-  
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"We ha-  
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Co. and MoneyGram International Inc. also apply to sellers and

currency Ripple, which has been described as bitcoin 2.0.

cent guidance.

—Andrew R. Johnson

## Borrowing Benchmarks

### Money Rates

May 28, 2013

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

#### Inflation

	April index level	CHG FROM (%)	March '13	April '12
U.S. consumer price index				
All items	232.531	-0.10	1.1	
Core	233.236	0.08	1.7	

#### U.S. consumer price index

All items	232.531	-0.10	1.1
Core	233.236	0.08	1.7

#### International rates

	Latest	Week ago	52-WEEK—	High	Low
Prime rates					

U.S.	3.25	3.25	3.25	3.25
Canada	3.00	3.00	3.00	3.00
Euro zone	0.50	0.50	1.00	0.50
Japan	1.475	1.475	1.475	1.470
Switzerland	0.50	0.50	0.54	0.50
Britain	0.50	0.50	0.51	0.50
Australia	2.75	2.75	3.75	2.75

#### Overnight repurchase

U.S.	0.02	0.03	0.45	0.02
Euro zone	0.02	0.02	0.22	0.01

#### U.S. government rates

Discount	0.75	0.75	0.75	0.75
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#### Federal funds

Effective rate	0.1200	0.1100	0.1900	0.0600
High	0.3125	0.3125	0.5160	0.1875
Low	0.0400	0.0400	0.1600	0.0300
Bid	0.0500	0.0700	0.2500	0.0300
Offer	0.1000	0.1000	0.2800	0.1000

#### Treasury bill auction

4 weeks	0.035	0.035	0.175	0.000
13 weeks	0.045	0.045	0.125	0.040

### Banco Central de la Republica Dominicana

#### Collateralised Discount Bonds Due 2024

In accordance with the provisions of the Fiscal Agency Agreement, notice is hereby given that for the six month Interest Period from 30 May 2013 to 29 November 2013, the Bonds will carry an Interest Rate of 1.25% p.a. and the Coupon Amount per US\$1,000 nominal of the Bonds will be US\$6.35.

Citibank Agency & Trust  
29 May 2013



	Latest	Week ago	52-WEEK— High	Low
26 weeks	0.080	0.085	0.160	0.075

#### Secondary market

##### Freddie Mac

30-year mortgage yields				
30 days	n.a.	n.a.	3.27	1.59
60 days	n.a.	n.a.	3.31	1.68

##### Fannie Mae

30-year mortgage yields				
30 days	3.375	3.244	3.375	2.635
60 days	3.409	3.277	3.409	2.680

#### Bankers acceptance

30 days	0.23	0.23	0.23	0.19
60 days	0.28	0.28	0.28	0.19
90 days	0.28	0.28	0.28	0.25
120 days	0.33	0.33	0.38	0.33
150 days	0.38	0.38	0.38	0.33
180 days	0.38	0.38	0.53	0.38

#### Other short-term rates

	Latest	Week ago	— 52-WEEK —	
			high	low
Call money	2.00	2.00	2.00	2.00

#### Commercial paper

30 to 31 days	0.07	...	...	...
32 to 44 days	0.05	...	...	...
45 to 104 days	0.09	...	...	...
105 to 119 days	0.12	...	...	...
120 to 149 days	0.18	...	...	...
180 to 270 days	0.23	...	...	...

#### Commercial paper (AA financial)

90 days	0.13	0.15	0.37	0.06
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#### Euro commercial paper

30 day	0.01	0.01	0.22	0.01
Two month	0.01	0.01	0.01	0.01
Three month	0.07	0.06	0.26	0.02
Four month	0.10	0.09	0.31	0.03
Five month	0.12	0.11	0.38	0.06
Six month	0.15	0.14	0.50	0.13

#### London interbank offered rate, or Libor

One month	0.19278	0.19628	0.24875	0.19278
Three month	0.27275	0.27410	0.46785	0.27275

#### Notes on data:

U.S. prime rate is effective December 16, 2008. Discount rate is effective February 19, 2010. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks; Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is the charge on loans to depository institutions by the New York Federal Reserve Banks; Federal funds rate is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more; Call money rate is the charge on loans to brokers on stock-exchange collateral; Commercial Paper (AA financial) is from the Federal Reserve and is presented with a one-day lag. Libor is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market; Libor Swaps quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Futures on the DTCC GCF Repo Index are traded on NYSE Liffe US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; ICAP plc; SIX Financial Information; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

### RCAF Lump Sum Amortization 2013/Q3

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
UP - BLET&Yardmaster	2012Q3	2012Q4				305,798,449	2011
CNGT - 8 unions <sup>1</sup>	2012Q4	2012Q4				305,798,449	2011
DH - 7 unions <sup>2</sup>	2012Q4	2012Q4				305,798,449	2011
CNGT - 18 unions <sup>3</sup>	2012Q4	2013Q1				305,798,449	2011
CSX - ATDA-East	2012Q1	2013Q1				305,798,449	2011
CSX - BLET	2013Q1	2013Q2				305,798,449	2011
CSX - UTU-CSRA	2010Q2	2013Q2				305,798,449	2011
NS - BLET & ATDA	2012Q1	2013Q2				305,798,449	2011
CNGT - 6 unions <sup>4</sup>	various	2013Q2				305,798,449	2011
DH - IBEW	2012Q2	2013Q3				305,798,449	2011
<b>Total</b>			<b>\$74,588,819</b>	<b>0.24391</b>			

Should be slightly less  
than amortized amount.

#### **Fell out**

Nat'l - BLET	2012Q1	2012Q3	\$686,234	0.00224	0.00898	305,798,449	2011
Nat'l - BMWED	2012Q2	2012Q3	\$9,727,255	0.03181	0.12724	305,798,449	2011

#### **Interest Rate**

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	0.085
2012/Q4	0.105
2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	

**Lump Sum Adjustment for 2013/Q3** → **0.244011**  
or  
**0.244**

<sup>1</sup> CNGT IAM; BLE NCFO; GTW BLET & NCFO; IC IBBM & NCFO & SMW; WC BRS

<sup>2</sup> DH BLET, BMWED, BRS, IAM, NCFO, TCU, TCU-CAR

<sup>3</sup> BLE IBEW, TCU-CAR; CCP TCU-CAR; DMIR IBEW, TCU-CAR; DWP IBEW; GTW IBEW, TCU;  
IC/CCP BRS, IBEW, TCU; IC TCU-CAR; and WC IBEW, TCU, TCU-CAR  
BLE UTU&BLET; GTW TCU-CAR; WC-GTW-IC ATDA

**RCAF Back Pay Amortization  
2013/Q3**

	<b>Quarter of Payment</b>	<b>Quarter Amortization Began</b>	<b>Amount</b>	<b>Annual Per ST Hour</b>	<b>1 Quarter Per ST Hr.</b>	<b>U.S. ST Hours</b>	
CNGT - 18 unions <sup>1</sup>	2012Q3	2012Q4				305,798,449	2011
DH - 7 unions <sup>2</sup>	2012Q3	2012Q4				305,798,449	2011
UP - Yardmasters	2012Q4	2012Q4				305,798,449	2011
CNGT - 18 unions <sup>3</sup>	2012Q4	2013Q1				305,798,449	2011
CSX - UTU-CSRA	2010Q2	2013Q2				305,798,449	2011
CNGT - 3 unions <sup>4</sup>	various	2013Q2				305,798,449	2011
DME - BMW	2013Q1	2013Q2				305,798,449	2011
DME - all unions	2013Q3	2013Q3				305,798,449	2011
CNGT - 4 unions <sup>5</sup>	various	2013Q3				305,798,449	2011
SLC - 4 unions <sup>6</sup>	various	2013Q3				305,798,449	2011
<b>Total</b>			(\$13,346,178)	-0.04364371		305,798,449	2011
<b>Fell out</b>							
National - IAM (ECS)	2012Q1	2012Q3	\$1,157,159	0.00378406	0.01514	305,798,449	2011
National - BMW	2012Q2	2012Q3	\$74,232,926	0.24275115	0.97100	305,798,449	2011
UP - BLET	2012Q3	2012Q3				305,798,449	2011
DME - All	2012Q3	2012Q3				305,798,449	2011

Should be slightly less  
than amortized amount.

**Interest Rate**

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	0.085
2012/Q4	0.105
2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	

**Back Pay Adjustment for 2013/Q3**

→ **-0.04366**  
or  
**-0.044**

<sup>1</sup> CNGT IAM (6 unions); BLE NCFO; DMIR BLET, UTU; DWP BLET, UTU; GTW BLET, NCFO; IC IBBM, NCFO, SMW; WC BRS, UTU

<sup>2</sup> DH BLET, BMW, BRS, IAM, NCFO, TCU, TCU-CAR

<sup>3</sup> BLE IBEW, TCU-CAR; CCP TCU-CAR; DMIR IBEW, TCU-CAR; DWP IBEW; GTW IBEW, TCU; IC/CCP BRS, IBEW, TCU; IC TCU-CAR; and WC IBEW, TCU, TCU-CAR

<sup>4</sup> BLE UTU&BLET; GTW TCU-CAR

<sup>5</sup> EJE UTU; GTW ATDA; IC ATDA; WC BRS

<sup>6</sup> DH IBEW; DME IBEW, NCFO, TCU-CAR

## Health and Welfare

	Employees Receiving				
	Pay 2011	Monthly Contribution		Total 2011 Avg.	Total 2013
		2011 Avg.	2013		
1. All Employees					
a. Group health	165,098	\$1,401.06	\$1,350.36	\$231,312,203.88	\$222,941,735.28
b. Group dental	165,098	59.47	55.90	9,818,378.06	9,228,978.20
c. Early retirement major medical	165,098	164.41	139.04	27,143,762.18	22,955,225.92
d. Group vision	165,098	10.46	8.37	1,726,925.08	1,381,870.26
2. Supplemental Sickness					
a. Signalmen	7,226	25.62	30.74	185,130.12	222,127.24
b. Shopcrafts	24,752	48.28	48.28	1,195,026.56	1,195,026.56
c. MOW	25,419	36.52	32.87	928,301.88	835,522.53
d. Yardmasters	2,062	33.48	34.95	69,035.76	72,066.90
3. Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	13,665	40.00	40.00	546,600.00	546,600.00
4. Monthly Total Premiums				272,925,363.52	259,379,152.89
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,344	(\$200.00)	(\$198.00)	(\$5,068,800.00)	(\$5,018,112.00)
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	23,694	(\$200.00)	(\$198.00)	(\$4,738,800.00)	(4,691,412.00)
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	6,847	(\$200.00)	(\$198.00)	(\$1,369,400.00)	(1,355,706.00)
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,740	(\$216.08)	(\$198.00)	(\$1,456,379.20)	(1,334,520.00)
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,316	(\$200.00)	(\$198.00)	(\$263,200.00)	(260,568.00)
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,272	(\$200.00)	(\$198.00)	(\$1,054,400.00)	(1,043,856.00)
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,350	(\$200.00)	(\$198.00)	(\$470,000.00)	(465,300.00)
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,000	(\$200.00)	(\$198.00)	(\$200,000.00)	(198,000.00)
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	6,068	(\$200.00)	(\$198.00)	(\$1,213,600.00)	(1,201,464.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,313	(\$200.00)	(\$198.00)	(\$1,862,600.00)	(1,843,974.00)
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,481	(\$202.90)	(\$198.00)	(\$8,010,694.90)	(7,817,238.00)
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,935	(\$202.12)	(\$198.00)	(\$391,102.20)	(383,130.00)
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,799	(\$200.00)	(\$198.00)	(\$359,800.00)	(356,202.00)
n. Independent CNGT (wt avg all union categories)	6,135	(\$122.05)	(\$162.05)	(\$748,776.75)	(994,176.75)
o. Independent SLC (wt avg all DH & DME union categories)	1,319	(\$156.22)	(\$166.22)	(\$206,054.18)	(219,244.18)
p.					
Total Major Union	138,613			(\$27,413,607.23)	(\$27,182,902.93)
All Other Employee Contributions*				(\$3,065,489.94)	(\$3,065,489.94)
6. Net Employer Monthly Payments				\$242,446,266.35	\$229,130,760.02
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					0.94508
8. H&W hourly rate for base year 2011				\$8.428	
9. H&W hourly rate for projected quarter					\$7.965

\* Non-union employee contributions net of opt-outs. The \$27,413,607.23 in major union contributions, plus \$3,065,489.94 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey

# NATIONAL RAILWAY LABOR CONFERENCE

## EMPLOYEE BENEFITS DEPARTMENT

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credit amortized 2012Q3-2013Q2  
~ 20¢/hr

April 13, 2012

### CONTINUED PARTICIPATION IN THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN ("NH&W") NATIONAL RAILWAY CARRIERS and UNITED TRANSPORTATION UNION HEALTH & WELFARE PLAN ("NRC/UTU") EFFECTIVE JANUARY 1, 2012

CIRCULAR NO. 504-41-50

CIRCULAR NO. 843-1-20

**TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS**

Our Circulars in these series provide information about the continuation of the Plans named above and the applicable Payment Rates. You'll recall that by multi-numbered Circulars 504-41-49 etc, dated November 30, 2011, we advised that the 2011 Payment Rates would continue into 2012 until such time as appropriate rates could be developed. New rates for 2012 have now been set, which are retroactively effective January 1, 2012. Note that for the NH&W and NRC/UTU Plans, the 2012 Payment Rates are lower than the 2011 Payment Rates, therefore, **you will be able to take a credit equal to the amount that you will have overpaid based on these new rates.**

For the payments due in April 2012, continue to use the 2011 Payment Rates that you have used for the months of January through March 2012. Beginning with your payment due in May 2012, use the rates contained in this Circular. In addition, UnitedHealthcare will calculate the amount of the credit that you may take to further reduce your May 2012 payment. The precise amount of your credit will be based upon the number of Qualifying Employees (QEs) that you have reported for the months of January through April 2012 and will be reported to you in a separate correspondence from UnitedHealthcare on or about April 30<sup>th</sup>.

The attached tables detail the 2012 rates. As in prior years, the tables provide the rates to be applied to Qualifying Employees who elect medical coverage and those who opt out, since employees who opt out of coverage must still be provided with life and AD&D insurance and on-duty injury coverage.

Since it is financially advantageous to the Plans that employees covered by Hospital Associations continue that coverage, the monthly inflow factor was created to fund payments to Hospital Associations as credits against the dues of members who are also required to make contributions to the NH&W and NRC/UTU Plans. The 2012 monthly inflow factor will continue to be \$7.11 per Qualifying Employee per month.

The cost to administer the health benefit continuation as required by COBRA is also included in the rates. UnitedHealthcare will send revised monthly report forms reflecting the new payment rates as described above.

## Railroad Retirement and Medicare for RCAF

### Inputs:

RRB Earnings Distribution Year	2010	Tier I Maximum Taxable Earnings for 2013	113,700
Wage Statistics Year	2011	Tier II Maximum Taxable Earnings for 2013	84,300
Current Year	2013	Medicare Maximum Taxable Earnings for 2013	no limit
Employees Receiving Pay*	165,098	Tier I Employer Tax Rate for 2013	6.20%
* from 2011 wage statistics		Tier II Employer Tax Rate for 2013	12.60%
		Medicare Employer Tax Rate for 2013	1.45%

Note: The 2010 wage rate shown below is from the 2010 wage statistics that were revised November 2011.

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2010	\$33.913				
2011	\$34.752	1.02474	\$555,926,521	\$7.216	hourly rate from SUPPL2011.xlsx
1Q/2013	\$37.771	1.11376	\$615,382,007	\$7.988	Rate = Taxable Rate
2Q/2013	\$37.144	1.09527	\$608,115,452	\$7.893	
3Q/2013	\$37.532	1.10671	\$612,616,873	<b>\$7.952</b>	
4Q/2013		0.00000	--	\$0.000	



Railroad Retirement & Medicare, U.S.

From 2010 Earnings Distribution			1Q/2013 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,794	4.238 %	6,997	\$36,525	\$9,131	\$9,131	\$9,131	\$9,131	\$63,889,493	\$63,889,493	\$63,889,493	\$63,889,493
41,700 - 43,699	\$42,800	1.310	2,163	47,669	11,917	11,917	11,917	11,917	25,774,435	25,774,435	25,774,435	25,774,435
43,700 - 45,699	\$44,737	1.462	2,414	49,826	12,457	12,457	12,457	12,457	30,066,877	30,066,877	30,066,877	30,066,877
45,700 - 47,699	\$46,787	2.117	3,495	52,110	13,027	13,027	13,027	13,027	45,532,359	45,532,359	45,532,359	45,532,359
47,700 - 49,699	\$48,731	3.377	5,575	54,275	13,569	13,569	13,569	13,569	75,650,269	75,650,269	75,650,269	75,650,269
49,700 - 51,699	\$50,781	5.847	9,653	56,558	14,139	14,139	14,139	14,139	136,492,390	136,492,390	136,492,390	136,492,390
51,700 - 53,699	\$52,707	5.141	8,488	58,703	14,676	14,676	14,676	14,676	124,563,269	124,563,269	124,563,269	124,563,269
53,700 - 55,699	\$54,705	5.040	8,321	60,928	15,232	15,232	15,232	15,232	126,745,238	126,745,238	126,745,238	126,745,238
55,700 - 57,699	\$56,741	4.788	7,905	63,196	15,799	15,799	15,799	15,799	124,889,297	124,889,297	124,889,297	124,889,297
57,700 - 59,699	\$58,792	4.133	6,824	65,480	16,370	16,370	16,370	16,370	111,701,173	111,701,173	111,701,173	111,701,173
59,700 - 61,699	\$60,712	3.931	6,490	67,619	16,905	16,905	16,905	16,905	109,711,380	109,711,380	109,711,380	109,711,380
61,700 - 63,699	\$62,715	4.032	6,657	69,850	17,462	17,462	17,462	17,462	116,242,795	116,242,795	116,242,795	116,242,795
63,700 - 65,699	\$64,545	3.730	6,158	71,888	17,972	17,972	17,972	17,972	110,673,981	110,673,981	110,673,981	110,673,981
65,700 - 67,699	\$66,535	2.671	4,410	74,104	18,526	18,526	18,526	18,526	81,695,502	81,695,502	81,695,502	81,695,502
67,700 - 69,699	\$68,839	3.831	6,325	76,670	19,168	19,168	19,168	19,168	121,232,985	121,232,985	121,232,985	121,232,985
69,700 - 71,699	\$70,621	3.175	5,242	78,655	19,664	19,664	19,664	19,664	103,074,607	103,074,607	103,074,607	103,074,607
71,700 - 73,699	\$72,580	2.671	4,410	80,837	20,209	20,209	20,209	20,209	89,117,900	89,117,900	89,117,900	89,117,900
73,700 - 75,699	\$74,566	3.982	6,574	83,049	20,762	20,762	20,762	20,762	136,494,828	136,494,828	136,494,828	136,494,828
75,700 - 77,699	\$76,710	2.369	3,911	85,437	21,359	21,359	21,075	21,359	83,539,359	82,427,942	83,539,359	83,539,359
77,700 - 79,699	\$78,473	2.268	3,744	87,400	21,850	21,850	21,075	21,850	81,815,841	78,913,707	81,815,841	81,815,841
79,700 - 81,699	\$80,613	2.873	4,743	89,784	22,446	22,446	21,075	22,446	106,466,948	99,964,321	106,466,948	106,466,948
81,700 - 83,699	\$82,701	2.671	4,410	92,109	23,027	23,027	21,075	23,027	101,545,047	92,935,852	101,545,047	101,545,047
83,700 - 85,699	\$84,701	2.520	4,160	94,337	23,584	23,584	21,075	23,584	98,121,273	87,681,897	98,121,273	98,121,273
85,700 - 87,699	\$86,591	2.369	3,911	96,442	24,110	24,110	21,075	24,110	94,300,047	82,427,942	94,300,047	94,300,047
87,700 - 89,699	\$88,509	1.764	2,912	98,578	24,644	24,644	21,075	24,644	71,772,836	61,377,328	71,772,836	71,772,836
89,700 - 91,699	\$90,575	2.167	3,578	100,879	25,220	25,220	21,075	25,220	90,228,004	75,399,472	90,228,004	90,228,004
91,700 - 93,699	\$92,632	1.613	2,663	103,170	25,792	25,792	21,075	25,792	68,686,202	56,123,373	68,686,202	68,686,202
93,700 - 95,699	\$94,761	1.008	1,664	105,541	26,385	26,385	21,075	26,385	43,910,083	35,072,759	43,910,083	43,910,083
95,700 - 97,699	\$96,625	1.310	2,163	107,617	26,904	26,904	21,075	26,904	58,188,196	45,580,669	58,188,196	58,188,196
97,700 - 99,699	\$98,617	1.109	1,831	109,836	27,459	27,459	21,075	27,459	50,275,619	38,586,993	50,275,619	50,275,619
99,700 - 101,699	\$100,607	1.210	1,998	112,052	28,013	28,013	21,075	28,013	55,961,283	42,101,228	55,961,283	55,961,283
101,700 - 103,699	\$102,747	1.058	1,747	114,436	28,609	28,425	21,075	28,609	49,650,995	36,812,479	49,972,251	49,972,251
103,700 - 105,699	\$104,705	0.706	1,166	116,616	29,154	28,425	21,075	29,154	33,131,949	24,564,849	33,981,787	33,981,787
105,700 - 107,699	\$106,587	0.806	1,331	118,713	29,678	28,425	21,075	29,678	37,824,860	28,044,289	39,492,386	39,492,386
107,700 - 109,699	\$108,670	0.554	915	121,032	30,258	28,425	21,075	30,258	25,998,725	19,276,100	27,675,376	27,675,376
109,700 - 111,699	\$110,636	0.504	832	123,222	30,806	28,425	21,075	30,806	23,652,270	17,536,379	25,633,098	25,633,098
111,700 - 113,699	\$112,713	0.403	665	125,535	31,384	28,425	21,075	31,384	18,912,430	14,022,145	20,881,089	20,881,089
113,700 - 115,699	\$114,669	0.202	333	127,714	31,928	28,425	21,075	31,928	9,479,680	7,028,470	10,648,084	10,648,084
\$115,700 - over	\$181,962	5.040	8,321	202,662	50,666	28,425	21,075	50,666	236,522,697	175,363,794	421,585,177	421,585,177
TOTAL	\$73,270	100.000	165,098						3,173,533,120	2,934,790,764	3,368,228,764	3,368,228,764
Total Taxable Earnings									3,173,533,120	2,934,790,764	3,368,228,764	3,368,228,764
Employer Tax Rate									6.20%	12.60%	1.45%	1.45%
Quarterly Payment									\$196,759,053	\$369,783,636	\$48,839,317	\$48,839,317
Total Tier I, Tier II, and Medicare Paid this Quarter											\$615,382,007	\$615,382,007



Railroad Retirement & Medicare, U.S.

From 2010 Earnings Distribution			2Q/2013 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtlly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,794	4.238 %	6,997	\$35,918	\$8,980	\$8,980	\$8,980	\$8,980	\$62,828,925	\$62,828,925	\$62,828,925	
41,700 - 43,699	\$42,800	1.310	2,163	46,878	11,719	11,719	11,719	11,719	25,346,579	25,346,579	25,346,579	
43,700 - 45,699	\$44,737	1.462	2,414	48,999	12,250	12,250	12,250	12,250	29,567,766	29,567,766	29,567,766	
45,700 - 47,699	\$46,787	2.117	3,495	51,245	12,811	12,811	12,811	12,811	44,776,520	44,776,520	44,776,520	
47,700 - 49,699	\$48,731	3.377	5,575	53,374	13,343	13,343	13,343	13,343	74,394,472	74,394,472	74,394,472	
49,700 - 51,699	\$50,781	5.847	9,653	55,619	13,905	13,905	13,905	13,905	134,226,611	134,226,611	134,226,611	
51,700 - 53,699	\$52,707	5.141	8,488	57,729	14,432	14,432	14,432	14,432	122,495,514	122,495,514	122,495,514	
53,700 - 55,699	\$54,705	5.040	8,321	59,917	14,979	14,979	14,979	14,979	124,641,263	124,641,263	124,641,263	
55,700 - 57,699	\$56,741	4.788	7,905	62,147	15,537	15,537	15,537	15,537	122,816,130	122,816,130	122,816,130	
57,700 - 59,699	\$58,792	4.133	6,824	64,393	16,098	16,098	16,098	16,098	109,846,929	109,846,929	109,846,929	
59,700 - 61,699	\$60,712	3.931	6,490	66,496	16,624	16,624	16,624	16,624	107,890,167	107,890,167	107,890,167	
61,700 - 63,699	\$62,715	4.032	6,657	68,690	17,173	17,173	17,173	17,173	114,313,160	114,313,160	114,313,160	
63,700 - 65,699	\$64,545	3.730	6,158	70,694	17,674	17,674	17,674	17,674	108,836,789	108,836,789	108,836,789	
65,700 - 67,699	\$66,535	2.671	4,410	72,874	18,219	18,219	18,219	18,219	80,339,353	80,339,353	80,339,353	
67,700 - 69,699	\$68,839	3.831	6,325	75,398	18,849	18,849	18,849	18,849	119,220,513	119,220,513	119,220,513	
69,700 - 71,699	\$70,621	3.175	5,242	77,349	19,337	19,337	19,337	19,337	101,363,564	101,363,564	101,363,564	
71,700 - 73,699	\$72,580	2.671	4,410	79,495	19,874	19,874	19,874	19,874	87,638,540	87,638,540	87,638,540	
73,700 - 75,699	\$74,566	3.982	6,574	81,670	20,418	20,418	20,418	20,418	134,229,009	134,229,009	134,229,009	
75,700 - 77,699	\$76,710	2.369	3,911	84,018	21,005	21,005	21,075	21,005	82,152,602	82,427,942	82,152,602	
77,700 - 79,699	\$78,473	2.268	3,744	85,949	21,487	21,487	21,075	21,487	80,457,695	78,913,707	80,457,695	
79,700 - 81,699	\$80,613	2.873	4,743	88,293	22,073	22,073	21,075	22,073	104,699,592	99,964,321	104,699,592	
81,700 - 83,699	\$82,701	2.671	4,410	90,580	22,645	22,645	21,075	22,645	99,859,395	92,935,852	99,859,395	
83,700 - 85,699	\$84,701	2.520	4,160	92,771	23,193	23,193	21,075	23,193	96,492,456	87,681,897	96,492,456	
85,700 - 87,699	\$86,591	2.369	3,911	94,841	23,710	23,710	21,075	23,710	92,734,663	82,427,942	92,734,663	
87,700 - 89,699	\$88,509	1.764	2,912	96,942	24,235	24,235	21,075	24,235	70,581,405	61,377,328	70,581,405	
89,700 - 91,699	\$90,575	2.167	3,578	99,204	24,801	24,801	21,075	24,801	88,730,215	75,399,472	88,730,215	
91,700 - 93,699	\$92,632	1.613	2,663	101,457	25,364	25,364	21,075	25,364	67,546,008	56,123,373	67,546,008	
93,700 - 95,699	\$94,761	1.008	1,664	103,789	25,947	25,947	21,075	25,947	43,181,174	35,072,759	43,181,174	
95,700 - 97,699	\$96,625	1.310	2,163	105,831	26,458	26,458	21,075	26,458	57,222,270	45,580,669	57,222,270	
97,700 - 99,699	\$98,617	1.109	1,831	108,013	27,003	27,003	21,075	27,003	49,441,042	38,586,993	49,441,042	
99,700 - 101,699	\$100,607	1.210	1,998	110,192	27,548	27,548	21,075	27,548	55,032,324	42,101,228	55,032,324	
101,700 - 103,699	\$102,747	1.058	1,747	112,536	28,134	28,318	21,075	28,134	49,463,966	36,812,479	49,142,710	
103,700 - 105,699	\$104,705	0.706	1,166	114,681	28,670	28,425	21,075	28,670	33,131,949	24,564,849	33,417,688	
105,700 - 107,699	\$106,587	0.806	1,331	116,742	29,185	28,425	21,075	29,185	37,824,860	28,044,289	38,836,811	
107,700 - 109,699	\$108,670	0.554	915	119,023	29,756	28,425	21,075	29,756	25,998,725	19,276,100	27,215,963	
109,700 - 111,699	\$110,636	0.504	832	121,177	30,294	28,425	21,075	30,294	23,652,270	17,536,379	25,207,588	
111,700 - 113,699	\$112,713	0.403	665	123,452	30,863	28,425	21,075	30,863	18,912,430	14,022,145	20,534,462	
113,700 - 115,699	\$114,669	0.202	333	125,594	31,398	28,425	21,075	31,398	9,479,680	7,028,470	10,471,326	
\$115,700 - over	\$181,962	5.040	8,321	199,298	49,825	28,425	21,075	49,825	<u>236,522,697</u>	<u>175,363,794</u>	<u>414,586,847</u>	
TOTAL		100.000	165,098						Total Taxable Earnings	3,127,889,222	2,906,013,790	3,312,316,042
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$193,929,132	\$366,157,738	\$48,028,583
Total Tier I, Tier II, and Medicare Paid this Quarter											\$608,115,452	

Railroad Retirement & Medicare, U.S.

From 2010 Earnings Distribution			3Q/2013 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees	Annual Earnings	Avg Qtlly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
			Recvg. Pay						Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,794	4.238 %	6,997	\$36,294	\$9,073	\$9,073	\$9,073	\$9,073	\$63,485,225	\$63,485,225	\$63,485,225	
41,700 - 43,699	\$42,800	1.310	2,163	47,367	11,842	11,842	11,842	11,842	25,611,345	25,611,345	25,611,345	
43,700 - 45,699	\$44,737	1.462	2,414	49,511	12,378	12,378	12,378	12,378	29,876,626	29,876,626	29,876,626	
45,700 - 47,699	\$46,787	2.117	3,495	51,780	12,945	12,945	12,945	12,945	45,244,248	45,244,248	45,244,248	
47,700 - 49,699	\$48,731	3.377	5,575	53,931	13,483	13,483	13,483	13,483	75,171,584	75,171,584	75,171,584	
49,700 - 51,699	\$50,781	5.847	9,653	56,200	14,050	14,050	14,050	14,050	135,628,719	135,628,719	135,628,719	
51,700 - 53,699	\$52,707	5.141	8,488	58,332	14,583	14,583	14,583	14,583	123,775,081	123,775,081	123,775,081	
53,700 - 55,699	\$54,705	5.040	8,321	60,543	15,136	15,136	15,136	15,136	125,943,245	125,943,245	125,943,245	
55,700 - 57,699	\$56,741	4.788	7,905	62,796	15,699	15,699	15,699	15,699	124,099,047	124,099,047	124,099,047	
57,700 - 59,699	\$58,792	4.133	6,824	65,066	16,266	16,266	16,266	16,266	110,994,372	110,994,372	110,994,372	
59,700 - 61,699	\$60,712	3.931	6,490	67,191	16,798	16,798	16,798	16,798	109,017,170	109,017,170	109,017,170	
61,700 - 63,699	\$62,715	4.032	6,657	69,408	17,352	17,352	17,352	17,352	115,507,257	115,507,257	115,507,257	
63,700 - 65,699	\$64,545	3.730	6,158	71,433	17,858	17,858	17,858	17,858	109,973,679	109,973,679	109,973,679	
65,700 - 67,699	\$66,535	2.671	4,410	73,635	18,409	18,409	18,409	18,409	81,178,565	81,178,565	81,178,565	
67,700 - 69,699	\$68,839	3.831	6,325	76,185	19,046	19,046	19,046	19,046	120,465,871	120,465,871	120,465,871	
69,700 - 71,699	\$70,621	3.175	5,242	78,157	19,539	19,539	19,539	19,539	102,422,391	102,422,391	102,422,391	
71,700 - 73,699	\$72,580	2.671	4,410	80,325	20,081	20,081	20,081	20,081	88,553,997	88,553,997	88,553,997	
73,700 - 75,699	\$74,566	3.982	6,574	82,523	20,631	20,631	20,631	20,631	135,631,143	135,631,143	135,631,143	
75,700 - 77,699	\$76,710	2.369	3,911	84,896	21,224	21,224	21,075	21,224	83,010,755	82,427,942	83,010,755	
77,700 - 79,699	\$78,473	2.268	3,744	86,847	21,712	21,712	21,075	21,712	81,298,143	78,913,707	81,298,143	
79,700 - 81,699	\$80,613	2.873	4,743	89,216	22,304	22,304	21,075	22,304	105,793,267	99,964,321	105,793,267	
81,700 - 83,699	\$82,701	2.671	4,410	91,526	22,882	22,882	21,075	22,882	100,902,510	92,935,852	100,902,510	
83,700 - 85,699	\$84,701	2.520	4,160	93,740	23,435	23,435	21,075	23,435	97,500,400	87,681,897	97,500,400	
85,700 - 87,699	\$86,591	2.369	3,911	95,831	23,958	23,958	21,075	23,958	93,703,354	82,427,942	93,703,354	
87,700 - 89,699	\$88,509	1.764	2,912	97,954	24,489	24,489	21,075	24,489	71,318,686	61,377,328	71,318,686	
89,700 - 91,699	\$90,575	2.167	3,578	100,241	25,060	25,060	21,075	25,060	89,657,076	75,399,472	89,657,076	
91,700 - 93,699	\$92,632	1.613	2,663	102,517	25,629	25,629	21,075	25,629	68,251,583	56,123,373	68,251,583	
93,700 - 95,699	\$94,761	1.008	1,664	104,873	26,218	26,218	21,075	26,218	43,632,238	35,072,759	43,632,238	
95,700 - 97,699	\$96,625	1.310	2,163	106,936	26,734	26,734	21,075	26,734	57,820,005	45,580,669	57,820,005	
97,700 - 99,699	\$98,617	1.109	1,831	109,141	27,285	27,285	21,075	27,285	49,957,495	38,586,993	49,957,495	
99,700 - 101,699	\$100,607	1.210	1,998	111,343	27,836	27,836	21,075	27,836	55,607,182	42,101,228	55,607,182	
101,700 - 103,699	\$102,747	1.058	1,747	113,712	28,428	28,428	21,075	28,428	49,656,046	36,812,479	49,656,046	
103,700 - 105,699	\$104,705	0.706	1,166	115,879	28,970	28,425	21,075	28,970	33,131,949	24,564,849	33,766,764	
105,700 - 107,699	\$106,587	0.806	1,331	117,961	29,490	28,425	21,075	29,490	37,824,860	28,044,289	39,242,494	
107,700 - 109,699	\$108,670	0.554	915	120,267	30,067	28,425	21,075	30,067	25,998,725	19,276,100	27,500,257	
109,700 - 111,699	\$110,636	0.504	832	122,442	30,611	28,425	21,075	30,611	23,652,270	17,536,379	25,470,902	
111,700 - 113,699	\$112,713	0.403	665	124,741	31,185	28,425	21,075	31,185	18,912,430	14,022,145	20,748,962	
113,700 - 115,699	\$114,669	0.202	333	126,906	31,726	28,425	21,075	31,726	9,479,680	7,028,470	10,580,708	
\$115,700 - over	\$181,962	5.040	8,321	201,380	50,345	28,425	21,075	50,345	236,522,697	175,363,794	418,917,552	
TOTAL		100.000	165,098						Total Taxable Earnings	3,156,210,912	2,923,821,551	3,346,915,940
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$195,685,077	\$368,401,515	\$48,530,281

Total Tier I, Tier II, and Medicare Paid this Quarter

**\$612,616,873**

Railroad Retirement & Medicare, U.S.

From 2010 Earnings Distribution			4Q/2013 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info								
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)		
									Tier I	Tier II	Medicare
\$0 - 41,699	\$32,794	4.238	% 6,997	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$42,800	1.310	2,163	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,737	1.462	2,414	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,787	2.117	3,495	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,731	3.377	5,575	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,781	5.847	9,653	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,707	5.141	8,488	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,705	5.040	8,321	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,741	4.788	7,905	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,792	4.133	6,824	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,712	3.931	6,490	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,715	4.032	6,657	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,545	3.730	6,158	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,535	2.671	4,410	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,839	3.831	6,325	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,621	3.175	5,242	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,580	2.671	4,410	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,566	3.982	6,574	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,710	2.369	3,911	0	0	0	363	0	0	1,418,890	0
77,700 - 79,699	\$78,473	2.268	3,744	0	0	0	1,824	0	0	6,830,558	0
79,700 - 81,699	\$80,613	2.873	4,743	0	0	0	3,598	0	0	17,066,843	0
81,700 - 83,699	\$82,701	2.671	4,410	0	0	0	5,329	0	0	23,499,396	0
83,700 - 85,699	\$84,701	2.520	4,160	0	0	0	6,987	0	0	29,068,438	0
85,700 - 87,699	\$86,591	2.369	3,911	0	0	0	8,554	0	0	33,454,238	0
87,700 - 89,699	\$88,509	1.764	2,912	0	0	0	10,143	0	0	29,540,944	0
89,700 - 91,699	\$90,575	2.167	3,578	0	0	0	11,856	0	0	42,416,878	0
91,700 - 93,699	\$92,632	1.613	2,663	0	0	0	13,561	0	0	36,113,675	0
93,700 - 95,699	\$94,761	1.008	1,664	0	0	0	15,326	0	0	25,505,219	0
95,700 - 97,699	\$96,625	1.310	2,163	0	0	0	16,871	0	0	36,488,466	0
97,700 - 99,699	\$98,617	1.109	1,831	0	0	0	18,522	0	0	33,913,175	0
99,700 - 101,699	\$100,607	1.210	1,998	0	0	0	20,172	0	0	40,297,104	0
101,700 - 103,699	\$102,747	1.058	1,747	0	0	0	21,075	0	0	36,812,479	0
103,700 - 105,699	\$104,705	0.706	1,166	0	0	1,519	21,075	0	1,770,392	24,564,849	0
105,700 - 107,699	\$106,587	0.806	1,331	0	0	3,079	21,075	0	4,097,112	28,044,289	0
107,700 - 109,699	\$108,670	0.554	915	0	0	4,806	21,075	0	4,395,421	19,276,100	0
109,700 - 111,699	\$110,636	0.504	832	0	0	6,435	21,075	0	5,354,778	17,536,379	0
111,700 - 113,699	\$112,713	0.403	665	0	0	8,157	21,075	0	5,427,224	14,022,145	0
113,700 - 115,699	\$114,669	0.202	333	0	0	9,778	21,075	0	3,261,079	7,028,470	0
\$115,700 - over	\$181,962	5.040	8,321	0	0	28,425	21,075	0	236,522,697	175,363,794	0
TOTAL		100.000	165,098				Total Taxable Earnings		260,828,703	678,262,328	0
							Employer Tax Rate		6.20%	12.60%	1.45%
							Quarterly Payment		\$16,171,380	\$85,461,053	\$0

Total Tier I, Tier II, and Medicare Paid this Quarter **\$101,632,433**

## RCAF Unemployment Insurance Tax

	Unemployment Ins.			RRB	Factor	Avg. Ann.	Un. Ins.
	Tax	Earnings	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$30.806	(2007)			
2008 Avg.	2.48%	\$15,360	\$32.537		1.056190	\$14,329.53	\$0.201
<b>3Q/09 reb</b>	2.47%	\$15,960	\$35.600		1.155619	\$14,914.18	<b>\$0.208</b>
4Q/09	2.47%	\$15,960	\$34.822		1.130364	\$14,903.49	<b>\$0.208</b>
1Q/10	3.26%	\$15,960	\$34.810		1.129975	\$14,903.32	<b>\$0.275</b>
2Q/10	3.26%	\$15,960	\$34.787		1.129228	\$14,903.00	<b>\$0.275</b>
3Q/10	3.26%	\$15,960	\$34.676		1.125625	\$14,901.45	<b>\$0.275</b>
			\$32.537	(2008)			
2009 Avg.	2.47%	\$15,960	\$34.444		1.058610	\$14,944.60	\$0.211
<b>3Q/10 reb</b>	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	<b>\$0.279</b>
4Q/10	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	<b>\$0.279</b>
1Q/11	7.09%	\$15,960	\$35.058		1.077481	\$14,953.17	<b>\$0.606</b>
2Q/11	7.09%	\$15,960	\$35.143		1.080093	\$14,954.33	<b>\$0.606</b>
3Q/11	7.09%	\$15,960	\$35.422		1.088668	\$14,957.95	<b>\$0.606</b>
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.273
<b>3Q/11 reb.</b>	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	<b>\$0.595</b>
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	<b>\$0.595</b>
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	<b>\$0.430</b>
2Q/12	5.00%	\$16,380	\$36.076		1.047381	\$15,464.39	<b>\$0.430</b>
3Q/12	5.00%	\$16,380	\$37.569		1.090727	\$15,487.33	<b>\$0.431</b>
			\$33.913	(2010)			
2011 Avg.	7.10%	\$15,960	\$34.752		1.024740	\$15,110.68	\$0.595
<b>3Q/12 reb.</b>	5.00%	\$16,380	\$37.546		1.107127	\$15,534.63	<b>\$0.431</b>
4Q/12	5.00%	\$16,380	\$37.613		1.109103	\$15,535.53	<b>\$0.431</b>
1Q/13	0.67%	\$16,860	\$37.771		1.113762	\$15,978.07	<b>\$0.059</b>
2Q/13	0.67%	\$16,860	\$37.144		1.095273	\$15,969.12	<b>\$0.059</b>
3Q/13	0.67%	\$16,860	\$37.532		1.106714	\$15,974.73	<b>\$0.059</b>

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2553	38577560.13	15110.68
QTRLY_US	2553	40783484.13	15974.73

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2553	2616.16	1.0247400
FactorQ	2553	2825.44	1.1067140
Capa	2553	40745880.00	15960.00
Capq	2553	43043580.00	16860.00



## PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ANALYSIS & PROJECTIONS

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### Spot Prices

(Crude Oil in Dollars per Barrel, Products in Dollars per Gallon)

Period:

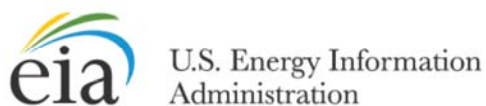
Product by Area	Graph	04/19/13	04/26/13	05/03/13	05/10/13	05/17/13	05/24/13	View History
	Clear							
Crude Oil								
WTI - Cushing, Oklahoma		88.0	91.0	93.40	95.84	94.65	94.76	<a href="#">1986-2013</a>
Brent - Europe		98.09	100.61	101.53	103.77	102.91	102.30	<a href="#">1987-2013</a>
Conventional Gasoline								
New York Harbor, Regular		2.691	2.691	2.699	2.767	2.777	2.747	<a href="#">1986-2013</a>
U.S. Gulf Coast, Regular		2.658	2.674	2.683	2.755	2.758	2.681	<a href="#">1986-2013</a>
RBOB Regular Gasoline								
Los Angeles		2.852	2.867	2.908	3.210	3.054	2.913	<a href="#">2003-2013</a>
No. 2 Heating Oil								
New York Harbor		2.622	2.663	2.668	2.768	2.747	2.744	<a href="#">1986-2013</a>
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor		2.780	2.853	2.859	2.924	2.898	2.893	<a href="#">2006-2013</a>
U.S. Gulf Coast		2.768	2.825	2.809	2.883	2.853	2.843	<a href="#">2006-2013</a>
Los Angeles		2.801	2.829	2.802	2.884	2.856	2.843	<a href="#">1996-2013</a>
Kerosene-Type Jet Fuel								
U.S. Gulf Coast		2.693	2.731	2.686	2.748	2.735	2.740	<a href="#">1990-2013</a>
Propane								
Mont Belvieu, Texas		0.945	0.948	0.945	0.947	0.939	0.926	<a href="#">1992-2013</a>

- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

**Notes:** Weekly, monthly, and annual prices are calculated by EIA from daily data by taking an unweighted average of the daily closing spot prices for a given product over the specified time period. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 5/30/2013

Next Release Date: 6/5/2013



# PETROLEUM & OTHER LIQUIDS

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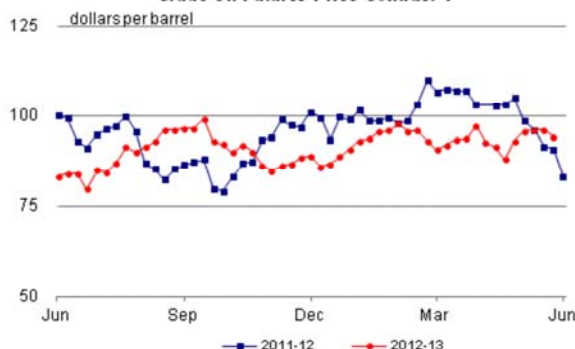
## This Week In Petroleum

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[PADD Definitions](#)
[Summary](#)
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[Gasoline](#)
[Distillate](#)
[Propane](#)
[Prices](#)
[Stocks](#)
[Production](#)
[Imports](#)
[Refinery Inputs](#)

### Crude Oil Futures and Estimated Contract Prices (Dollars per Barrel)

	Crude Oil Futures Prices							<a href="#">more data</a>
	Most Recent							Year Ago
	04/12/13	04/19/13	04/26/13	05/03/13	05/10/13	05/17/13	05/24/13	05/25/12
Contract 1	91.29	88.01	93.00	95.61	96.04	96.02	94.15	90.86
Contract 2	91.61	88.27	93.25	95.82	96.29	96.29	94.34	91.15
Contract 3	91.88	88.48	93.29	95.74	96.28	96.41	94.28	91.44
Contract 4	92.01	88.54	93.09	95.43	96.03	96.25	93.98	91.68

Crude Oil Futures Price Contract 1



### Crude Oil Stocks (Million Barrels) and Days of Supply

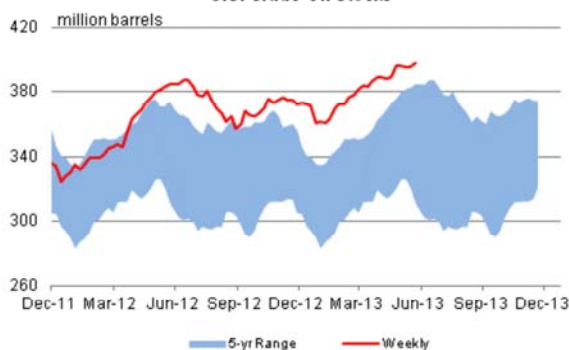
	Crude Oil Stocks							<a href="#">more data</a>
	Most Recent							Year Ago
	04/12/13	04/19/13	04/26/13	05/03/13	05/10/13	05/17/13	05/24/13	05/25/12
U.S.	387.6	388.6	395.3	395.5	394.9	394.6	397.6	384.7
East Coast (PADD 1)	11.1	11.4	11.6	12.2	12.6	12.2	11.9	11.3
Midwest (PADD 2)	116.8	118.3	115.6	116.2	116.5	117.5	118.4	108.4
Cushing, Oklahoma	51.1	51.2	49.8	49.1	49.7	50.2	50.5	46.8
Gulf Coast (PADD 3)	185.0	187.8	195.5	192.9	191.9	190.7	193.2	187.1
Rocky Mountain (PADD 4)	17.7	17.4	17.9	18.0	18.1	18.2	17.6	17.8
West Coast (PADD 5)	57.0	53.7	54.7	56.2	55.8	55.9	56.4	60.1

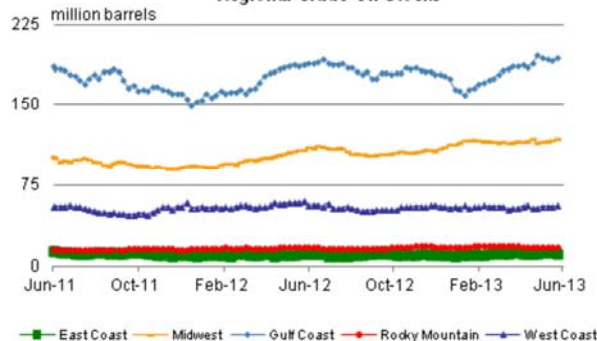
	Days of Supply (number of days)							<a href="#">more data</a>
	Most Recent							Year Ago
	04/12/13	04/19/13	04/26/13	05/03/13	05/10/13	05/17/13	05/24/13	05/25/12
U.S.	25.8	26.0	26.6	26.6	26.5	26.1	26.2	25.7

Note: Days of Supply calculated as: U.S. Crude Oil Stocks / Four-Week Average U.S. Crude Oil Refinery Inputs

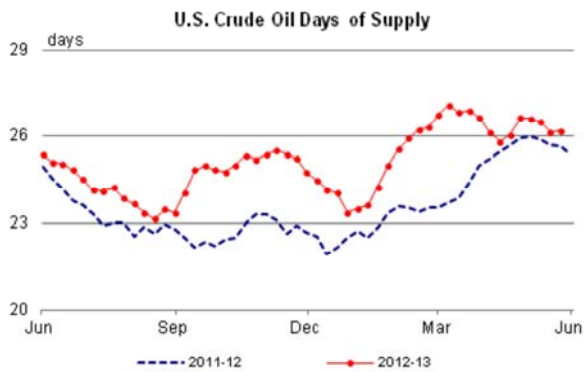
U.S. Crude Oil Stocks



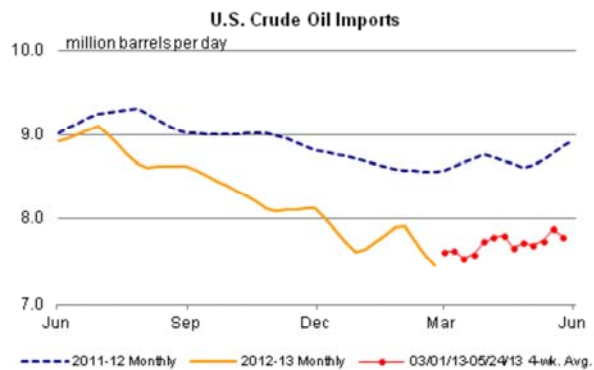
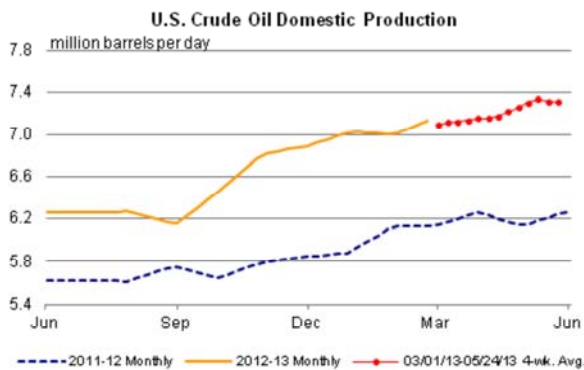
Regional Crude Oil Stocks



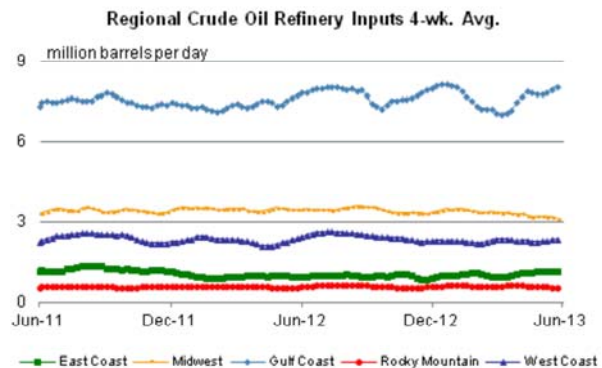
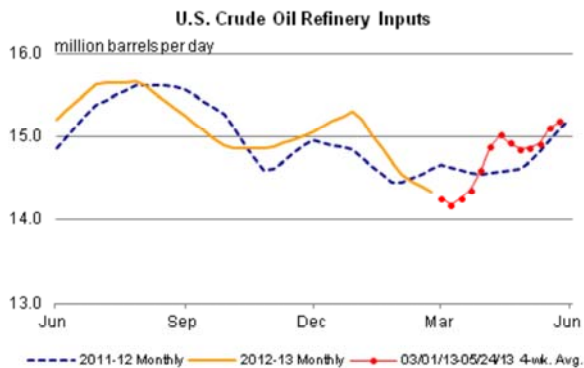


**Crude Oil Production and Imports (Million Barrels per Day)**

Crude Oil Production <a href="#">more data</a>								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/10/13	05/17/13	05/24/13	05/25/12	05/10/13	05/17/13	05/24/13	05/25/12
U.S. Production	7.332	7.315	7.310	6.188	7.321	7.258	7.292	6.227
Crude Oil Imports <a href="#">more data</a>								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/10/13	05/17/13	05/24/13	05/25/12	05/10/13	05/17/13	05/24/13	05/25/12
Crude Oil, Excluding SPR	7.740	7.881	7.794	8.872	7.623	8.130	7.817	9.056

**Crude Oil Refinery Inputs (Million Barrels per Day)**

Crude Oil Refinery Inputs <a href="#">more data</a>								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/10/13	05/17/13	05/24/13	05/25/12	05/10/13	05/17/13	05/24/13	05/25/12
U.S.	14.908	15.098	15.178	14.986	15.253	15.249	15.029	15.169
East Coast (PADD 1)	1.111	1.130	1.135	0.932	1.157	1.138	1.122	0.923
Midwest (PADD 2)	3.162	3.172	3.120	3.442	3.045	3.178	3.016	3.496
Gulf Coast (PADD 3)	7.810	7.944	8.048	7.708	8.139	8.087	8.044	7.661
Rocky Mountain (PADD 4)	0.540	0.527	0.528	0.521	0.558	0.512	0.521	0.558
West Coast (PADD 5)	2.286	2.324	2.347	2.382	2.354	2.334	2.327	2.532



NA = Not Available.  
W = Data Withheld.

AAR MATERIALS AND SUPPLIES INDEX  
Region By Composition  
Second Quarter 2013  
May 30, 2013

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
-----	-----	-----	-----	-----
Forest Products	.1089	256.07	254.46	.9937
Metal Products	.6173	195.22	197.39	1.0111
Miscellaneous Products	.2738	352.18	358.59	1.0182
U.S. By Composition	--	244.83	247.74	1.0119
U.S. By Composition (Linked)	--	246.03	248.96	1.0119
United States (1977=100)	--	350.10	354.27	1.0119
Linking Factor: 1.423				
United States (1980=100)	--	261.04	264.15	1.0119
Linking Factor: 1.061				

## Car Hire for RCAF

### RCAF (Forecast)

	1980	June 3Q/12	Sept. 4Q/12	Dec. 1Q/13	Mar. 2Q/13	June 3Q/13
<b>RATE</b>						
RR-OWNED TIME	31.00	63.00	63.00	63.00	63.00	63.00
RR-OWNED MILEAGE	4.69	6.80	6.80	6.80	6.70	6.70
PRIVATELY-OWNED CARS	25.47	43.88	45.15	45.52	45.25	45.49
AUTORACKS	47.00	38.32	40.33	41.15	42.86	46.61
<b>INDEX</b>						
RR-OWNED TIME	100.0	203.2	203.2	203.2	203.2	203.2
RR-OWNED MILEAGE	100.0	145.0	145.0	145.0	142.9	142.9
PRIVATELY-OWNED CARS	100.0	172.3	177.3	178.7	177.6	178.6
AUTORACKS	100.0	81.5	85.8	87.5	91.2	99.2
CAR HIRE INDEX (old wts) 2010	100.0	174.5	--	--	--	--
CAR HIRE INDEX (new wts) 2011	100.0	174.2	177.9	179.0	178.0	178.9
CAR HIRE INDEX (LINKED)	100.0	173.6	177.3	178.4	177.4	178.3

Note: The Car Hire Index for third quarter using *old weights* and *linked* should match that quarter's filing. The third quarter *new weights* version is used in the fourth quarter linked index calculation to ensure that the transition from old weights to new weights does not impact the linked index.

Note: Indexes are rounded, rates are full float.

**Equipment Rents Data From CHARM**

	2012 (first day of month)						2013 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Railroad Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	7,351	7,363	7,381	7,402	7,428	7,570	7,607	7,635	7,668	7,696	7,713	7,607		
Rate (in cents)														
Superstructures #3 - Auto Rack	29.0	30.0	30.0	32.0	34.0	36.0	36.0	37.0	36.0	37.0	36.0	38.0		
<b>All other #1 - Time</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>		
<b>All other #2 - Mileage</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>		
<b>Private Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	45,301	45,389	45,500	45,550	45,561	45,612	45,809	46,018	46,228	46,468	46,716	46,998		
Covered Hoppers	320,604	321,677	322,901	323,792	324,427	325,043	325,885	326,132	326,576	326,902	327,318	328,029		
Tank Cars	300,576	301,647	302,836	304,207	305,434	306,842	308,618	309,221	310,801	313,102	314,983	317,096		
Others	286,271	286,670	286,866	286,743	287,176	286,634	285,618	285,054	285,259	285,264	285,537	286,373		
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0	80.0	80.0	80.0	80.0	80.0	80.0		
Superstructures #2 - Mileage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4		
Superstructures #3 - Auto Rack	40.0	41.0	42.0	42.0	42.0	42.0	41.0	43.0	44.0	45.0	47.0	48.0		
Covered Hoppers #2 - Mileage	43.7	43.7	43.8	43.9	43.9	43.9	43.9	44.0	44.1	44.1	44.2	44.2		
Tank Cars #2 - Mileage	68.4	68.5	71.5	71.6	71.8	71.9	71.7	72.0	70.2	70.4	70.5	70.7		
Others #1 - Time	72.0	72.0	72.0	72.0	73.0	73.0	74.0	74.0	74.0	73.0	73.0	73.0		
Others #2 - Mileage	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0		
<b>AVERAGE RATES</b>														
Private Superstructures	19.73	19.73	19.73	19.73	19.73	19.73	20.20	20.20	20.20	20.20	20.20	20.20	0.00	0.00
Private Others	22.88	22.88	22.88	22.98	23.21	23.21	23.43	23.43	23.43	23.21	23.21	23.21	0.00	0.00
<b>Private Total</b>	<b>44.10</b>	<b>44.15</b>	<b>45.15</b>	<b>45.28</b>	<b>45.43</b>	<b>45.52</b>	<b>45.60</b>	<b>45.76</b>	<b>45.25</b>	<b>45.30</b>	<b>45.40</b>	<b>45.49</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Autoracks</b>	<b>38.46</b>	<b>39.46</b>	<b>40.33</b>	<b>40.60</b>	<b>40.88</b>	<b>41.15</b>	<b>40.29</b>	<b>42.15</b>	<b>42.86</b>	<b>43.86</b>	<b>45.44</b>	<b>46.61</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

WEIGHTS	"Old Wts"	"New Wts"
	2010	2011
For RCAF & RCR		
RR-owned Time	0.174	0.170
RR-owned Mileage	0.084	0.078
Privately-owned Cars	0.732	0.738
Autoracks	0.010	0.014
----- Check sum	<b>1.000</b>	<b>1.000</b>

Weights for Equipment Rents (not used in Car Hire calculation)		
	2010	2011
Car Hire - U.S.	0.458	0.486
Lease Rentals - U.S.	0.542	0.514
----- Check sum	<b>1.000</b>	<b>1.000</b>

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

## CHARM Process - Car Hire Rate Report

### Average Car Rental Rates for 06/2013

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,607	120	0.081	38
Railroad	Number of Zero-Rated Vehicular Flats	50	.	.	.
Railroad	All Other Cars	487,548	63	0.067	.
Railroad	Number of Zero-Rated Other Cars	21,913	.	.	.
Railroad	Total Railroad Equipment	517,118	.	.	.
		.	.	.	.
Private	Vehicular Flats	46,998	80	0.014	48
Private	Number of Zero-Rated Vehicular Flats	8	.	.	.
Private	Covered Hoppers	328,029	0	0.442	.
Private	Number of Zero-Rated Covered Hoppers	9,514	.	.	.
Private	Tanks	317,096	0	0.707	.
Private	Number of Zero-Rated Tanks	8,027	.	.	.
Private	All Other Cars	286,373	73	0.070	.
Private	Number of Zero-Rated Other Cars	30,319	.	.	.
Private	Total Private Equipment	1,026,364	.	.	.

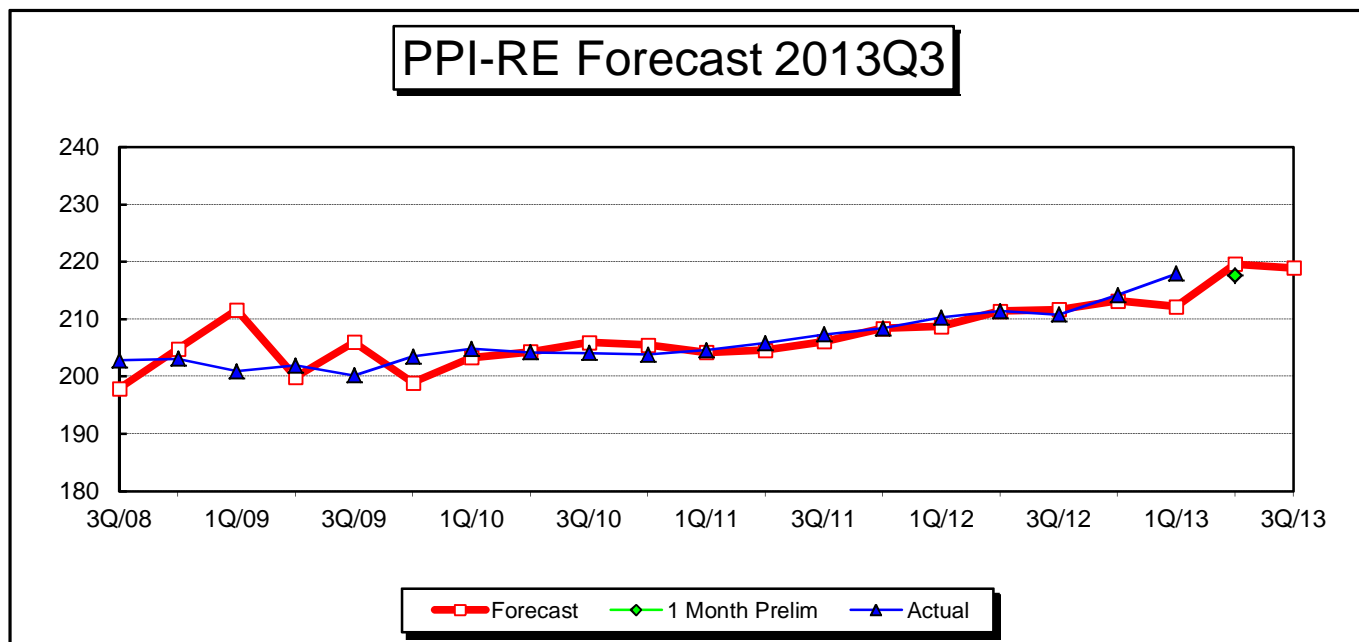
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the car accounting process.
Zero-rated equipment includes those with Umler Rate_Indicator of 6 and 0 (zero).
Zero-rated equipment is excluded from the averages shown in this report.
Equipment must be Active in Umler to be included in this report; Pre-registered and Inactive cars are excluded.

## PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9	203.5	
1Q/10	203.3	204.8	
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4	208.4	
1Q/12	208.7	210.3	
2Q/12	211.4	211.4	
3Q/12	211.7	210.8	
4Q/12	213.2	214.2	
1Q/13	212.2	217.9	
2Q/13	219.6		217.6
3Q/13	218.9		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2013Q3						
Low	194.3	214.9	1.9%			
Midpoint	197.9	218.9	3.8%	0.6%	0.5%	-0.3%
High	201.4	222.8	5.7%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2013Q3\5Deprec\FPre\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 175.600 Maximum 197.700  
Mean 184.858 Standard deviation 5.548

Classical decomposition (multiplicative)

Trend-cycle: 94.54% Seasonal: 1.06% Irregular: 4.40%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 2.135 to 2.995 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	0.69347	196.71
Trend	0.01840	0.29158

within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 184.9	Standard deviation 5.548
R-square 0.9617	Adjusted R-square 0.9612
Durbin-watson 1.953	Ljung-Box(18)=15.4 P=0.366
Forecast error 1.093	BIC 1.144
MAPE 0.003668	RMSE 1.078
MAD 0.68	

Forecast Report

wed May 15 14:28:47 2013

Exponential Smoothing model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900

2009-09	183.800
2009-10	183.600
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200
2010-11	184.200
2010-12	184.200
2011-01	184.900
2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	190.100
2012-02	190.100
2012-03	190.600
2012-04	191.800
2012-05	191.600
2012-06	191.500
2012-07	192.000
2012-08	190.400
2012-09	190.900
2012-10	194.900
2012-11	193.900
2012-12	194.100
2013-01	197.700
2013-02	197.200
2013-03	196.000
2013-04	196.700

## Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2013-05	194.760	197.003	199.245
2013-06	194.549	197.294	200.039
2013-07	194.417	197.586	200.755
2013-08	194.334	197.877	201.420
2013-09	194.288	198.169	202.050
2013-10	194.269	198.460	202.652
2013-11	194.272	198.752	203.233
2013-12	194.291	199.044	203.796
2014-01	194.326	199.335	204.344
2014-02	194.373	199.627	204.880
2014-03	194.431	199.918	205.405
2014-04	194.499	200.210	205.921



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## Databases, Tables & Calculators by Subject

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### Producer Price Index-Commodities

Series Id: WPU144

Not Seasonally Adjusted

Group: Transportation equipment

Item: Railroad equipment

Base Date: 198200

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	197.7(P)	197.2(P)	196.0(P)	196.7(P)									

P : Preliminary. All indexes are subject to revision four months after original publication.

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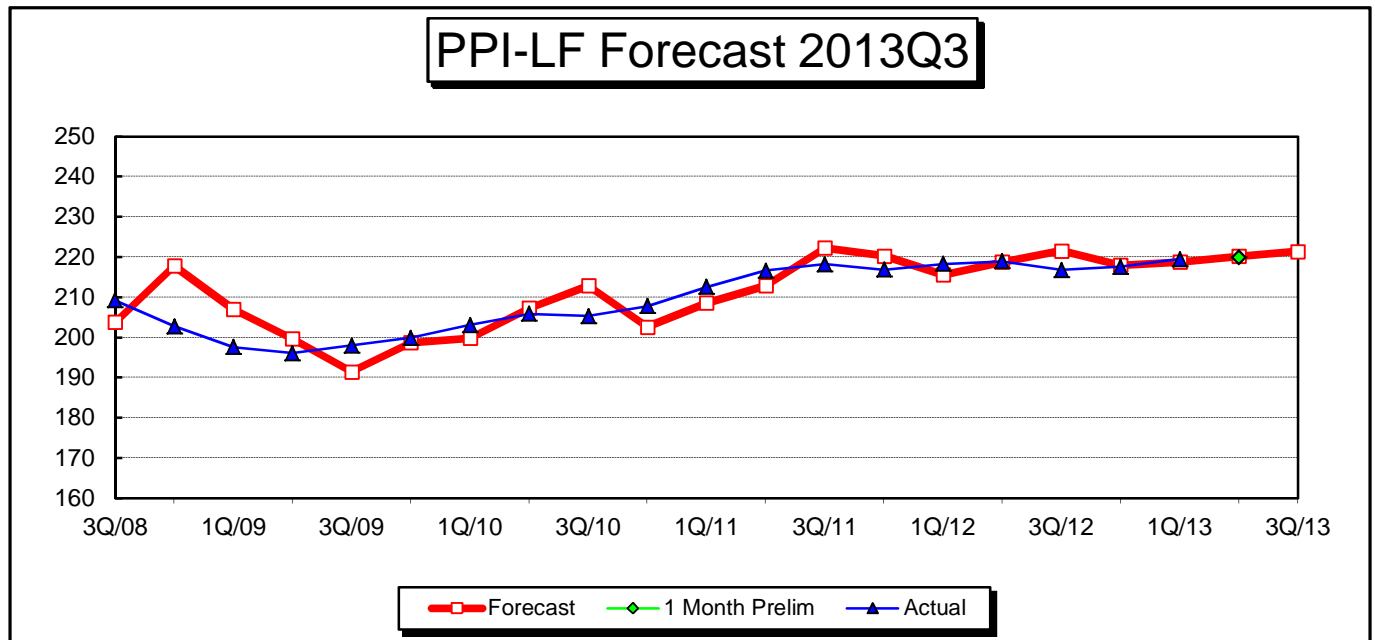
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## PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7	199.9	
1Q/10	199.8	203.1	
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3	216.9	
1Q/12	215.6	218.3	
2Q/12	218.8	218.9	
3Q/12	221.6	216.8	
4Q/12	218.0	217.6	
1Q/13	218.8	219.5	
2Q/13	220.2		220.0
3Q/13	221.4		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2013Q3						
Low	192.9	216.3	-0.2%			
Midpoint	197.5	221.4	2.1%	0.6%	0.9%	0.5%
High	202.0	226.5	4.5%			



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Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2013Q3\7Other\FPIf\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

-----  
Length 72 Minimum 170.800 Maximum 196.400  
Mean 184.635 Standard deviation 8.422

Classical decomposition (multiplicative)  
Trend-cycle: 94.68% Seasonal: 0.51% Irregular: 4.81%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 1.498 to 2.774 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing  
Forecast Model for PPILF  
Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	1.00000	196.20
Trend	0.01864	0.31872

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 184.6	Standard deviation 8.422
R-square 0.9832	Adjusted R-square 0.983
Durbin-Watson 0.5601	** Ljung-Box(18)=91.51 P=1
Forecast error 1.098	BIC 1.149
MAPE 0.004285	RMSE 1.083
MAD 0.7879	

Forecast Report  
Wed May 15 15:42:13 2013  
Exponential Smoothing model for PPILF  
Analysis of Historic Fit Set

Date	Historic
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600

1f\_ppi.txt

2009-09	177.200
2009-10	177.700
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300
2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700
2011-06	193.900
2011-07	194.600
2011-08	194.500
2011-09	194.600
2011-10	193.900
2011-11	193.200
2011-12	192.700
2012-01	193.800
2012-02	194.700
2012-03	195.700
2012-04	195.800
2012-05	195.400
2012-06	193.700
2012-07	193.300
2012-08	193.300
2012-09	193.700
2012-10	193.900
2012-11	194.000
2012-12	194.200
2013-01	195.100
2013-02	196.000
2013-03	196.400
2013-04	196.200

#### Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2013-05	194.266	196.519	198.772
2013-06	193.622	196.837	200.053
2013-07	193.206	197.156	201.107
2013-08	192.906	197.475	202.044
2013-09	192.681	197.794	202.906
2013-10	192.508	198.112	203.716
2013-11	192.375	198.431	204.487
2013-12	192.274	198.750	205.226
2014-01	192.198	199.069	205.939
2014-02	192.144	199.387	206.631
2014-03	192.108	199.706	207.304
2014-04	192.087	200.025	207.962

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### Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.7	193.9	194.0	194.2		194.3
2013	195.1(P)	196.0(P)	196.4(P)	196.2(P)									

P : Preliminary. All indexes are subject to revision four months after original publication.

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## Forecast Error Calculation

		First Quarter 2013		Pct.	Notes
	2011	2013Q1	2013Q1	Diff.	
	Weight	Forecast	Actual		
Labor	31.3%	389.7	389.7	0.0	* actual=forecast
Fuel	22.5%	396.5	378.8	-17.7	from 1st month of quarter
M&S	5.1%	263.4	263.4	0.0	* actual=forecast
Equip Rents	5.6%	206.7	207.6	0.9	from Equipment Rents below
Depreciation	11.6%	212.2	217.9	5.7	PPI-RE
Interest	2.5%	92.9	92.9	0.0	* actual=forecast
Other	21.4%	218.8	219.5	0.7	PPI-LF
Weighted Avg	100.0%				
1980 = 100		310.0	306.8		calculated
1980 = 100 (linked)		297.3	293.6		calculated
4Q12 = 100	2.975	99.9	98.7		calculated
4Q07 = 100	2.459	120.9	119.4		calculated
4Q02 = 100	1.921	154.8	152.8		calculated
4Q97 = 100	1.732	171.7	169.5		calculated
4Q92 = 100	1.569	189.5	187.1		calculated
Forecast Error	→	-1.2			calculated
					-0.012 = RCAF adj.
<u>Prior Quarter</u>					
1980 = 100		311.8	313.5 **		
1980 = 100 (linked)		299.0	300.0		
4Q12 = 100		100.5	100.8		calculated
4Q07 = 100		121.6	122.0		calculated
4Q02 = 100		155.6	156.2		calculated
4Q97 = 100		172.6	173.2		calculated
4Q92 = 100		190.6	191.2		calculated
<hr/>					
<u>Equipment Rents</u>					
Car Hire	48.6%	178.4	179.1		from Equipment Rents/CHARM
Lease Rentals	51.4%	218.8	219.5		(equals PPI-LF from above)
Weighted Average		199.2	199.9		calculated
Linked		206.7	207.6		calculated
<u>Prior Quarter</u>					
Weighted Average		198.2	198.4 **		
Linked		205.7	206.0		
<hr/>					
Sum of Weights	ok				** if fourth quarter, weighted avg for prior needs to use new
Sum of ER Wt.	ok				weights, linked is ok

### All-Inclusive Index (Actual)

	11 Wts	3Q/12 10 Wts	3Q/12 11 Wts	% Chg.	4Q/12 11 Wts	% Chg.	1Q/13 11 Wts	% Chg.	2Q/13 11 Wts	% Chg.	3Q/13 11 Wts	% Chg.
Labor	31.3%	391.4	391.4	0.0%	390.5	-0.2%	389.7	-0.2%		NA		NA
<b>Fuel</b>	22.5%	359.0	359.0	0.0%	410.6	14.4%	378.8	-7.7%		NA		NA
M&S	5.1%	274.8	274.8	0.0%	266.1	-3.2%	263.4	-1.0%		NA		NA
Equipment Rents	5.6%	203.6	203.6	0.0%	206.0	1.2%	207.6	0.8%		NA		NA
<b>Depreciation</b>	11.6%	210.8	210.8	0.0%	214.2	1.6%	217.9	1.7%		NA		NA
Interest	2.5%	90.6	90.6	0.0%	92.9	2.5%	92.9	0.0%	92.9	0.0%	92.9	0.0%
<b>Other</b>	21.4%	216.8	216.8	0.0%	217.6	0.4%	219.5	0.9%		NA		NA
	<b>1.0000</b>											
<b>Weighted Avg.</b>		<b>298.2</b>	<b>301.8</b>	<b>1.2%</b>	<b>313.5</b>	3.9%	<b>306.8</b>	-2.1%	<b>2.3</b>	NA	<b>2.3</b>	NA
<b>Linked</b>		<b>288.8</b>			<b>300.0</b>	3.9%	<b>293.6</b>	-2.1%	<b>2.2</b>	NA	<b>2.2</b>	NA
10/1/80	<b>1.027</b>	281.2			292.1	3.9%	285.9	-2.1%	2.1	NA	2.1	NA
10/1/82	<b>1.209</b>	238.9			248.1	3.9%	242.8	-2.1%	1.8	NA	1.8	NA
4Q/87	<b>1.322</b>	218.5			226.9	3.8%	222.1	-2.1%	1.7	NA	1.7	NA
4Q/92	<b>1.569</b>	184.1			191.2	3.9%	187.1	-2.1%	1.4	NA	1.4	NA
4Q/97	<b>1.732</b>	166.7			173.2	3.9%	169.5	-2.1%	1.3	NA	1.3	NA
4Q/02	<b>1.921</b>	150.3			156.2	3.9%	152.8	-2.2%	1.1	NA	1.1	NA
4Q/07	<b>2.459</b>	117.4			122.0	3.9%	119.4	-2.1%	0.9	NA	0.9	NA
<b>4Q/12</b>	<b>2.975</b>				<b>100.8</b>		<b>98.7</b>	-2.1%	<b>0.7</b>	NA	<b>0.7</b>	NA

#### Equipment Rents

<b>Car Hire</b>	48.6%	174.3	174.3	0.0%	178.1	2.2%	179.1	0.6%		NA		NA
Lease Rentals	51.4%	216.8	216.8	0.0%	217.6	0.4%	219.5	0.9%	0.0	NA	0.0	NA
	1.0000											
ER Weighted Avg		197.3	196.1	-0.6%	198.4	1.2%	199.9	0.8%	0.0	NA	0.0	NA
ER Linked		203.6			206.0	1.2%	207.6	0.8%	0.0	NA	#DIV/0!	NA

<i>Impact/Check of weight change</i>	<u>10 Wts</u>	<u>11 Wts</u>
Labor	130.336	122.508
Fuel	64.620	80.775
Material & Supplies	13.740	14.015
Equipment Rents	12.623	11.402
Depreciation	26.982	24.453
Interest	2.627	2.265
Other	47.262	46.395
<b>Weighted Avg.</b>	<b>298.192</b>	<b>301.813</b>
ER Weighted Avg.	197.335	196.145

# RCAF Fuel (Actual All-Inclusive Index)

January 2013

## Monthly Report

	January 2013 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	January 2013 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	January 2013 1980=100 Current Index (6)
U.S.	<b>310.03</b>	89.34	99.415	344.99	1.096	378.11

(4) = (1) / (2) x (3)

(6) = (4) x (5)

## Final Actual All-inclusive Index Used for RCAF's Forecast Error Adjustment

	January 2013 1980=100 Current Index	Adjustment Factor	January 2013 1980=100 Linked Index
U.S.	378.11	1.00192	<b>378.84</b> ←

January	=	Q1
April	=	Q2
July	=	Q3
October	=	Q4



## Car Hire for RCAF

RCAF (Actual)						
		1980	Aug 3Q/12	Nov 4Q/12	Feb 1Q/13	May 2Q/13      Aug 3Q/13
RATE						
RR-OWNED TIME		31.00	63.00	63.00	63.00	--      --
RR-OWNED MILEAGE		4.69	6.80	6.80	6.80	--      --
PRIVATELY-OWNED CARS		25.47	44.15	45.43	45.76	--      --
AUTORACKS		47.00	39.46	40.88	42.15	--      --
INDEX						
RR-OWNED TIME		100.0	203.2	203.2	203.2	--      --
RR-OWNED MILEAGE		100.0	145.0	145.0	145.0	--      --
PRIVATELY-OWNED CARS		100.0	173.3	178.4	179.7	--      --
AUTORACKS		100.0	84.0	87.0	89.7	--      --
CAR HIRE INDEX (old wts)	2010	100.0	175.2	--	--	--      --
CAR HIRE INDEX (new wts)	2011	100.0	174.9	178.7	179.7	--      --
CAR HIRE INDEX (LINKED)		100.0	174.3	178.1	179.1	--      --

Note: Indexes are rounded, rates are full float.

**Equipment Rents Data From CHARM**

	2012 (first day of month)						2013 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Railroad Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	7,351	7,363	7,381	7,402	7,428	7,570	7,607	7,635	7,668					
Rate (in cents)														
Superstructures #3 - Auto Rack	29.0	30.0	30.0	32.0	34.0	36.0	36.0	37.0	36.0					
<b>All other #1 - Time</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>					
<b>All other #2 - Mileage</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.7</b>					
<b>Private Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	45,301	45,389	45,500	45,550	45,561	45,612	45,809	46,018	46,228					
Covered Hoppers	320,604	321,677	322,901	323,792	324,427	325,043	325,885	326,132	326,576					
Tank Cars	300,576	301,647	302,836	304,207	305,434	306,842	308,618	309,221	310,801					
Others	286,271	286,670	286,866	286,743	287,176	286,634	285,618	285,054	285,259					
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0	80.0	80.0	80.0					
Superstructures #2 - Mileage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4					
Superstructures #3 - Auto Rack	40.0	41.0	42.0	42.0	42.0	42.0	41.0	43.0	44.0					
Covered Hoppers #2 - Mileage	43.7	43.7	43.8	43.9	43.9	43.9	43.9	44.0	44.1					
Tank Cars #2 - Mileage	68.4	68.5	71.5	71.6	71.8	71.9	71.7	72.0	70.2					
Others #1 - Time	72.0	72.0	72.0	72.0	73.0	73.0	74.0	74.0	74.0					
Others #2 - Mileage	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0					
<b>AVERAGE RATES</b>														
Private Superstructures	19.73	19.73	19.73	19.73	19.73	19.73	20.20	20.20	20.20	0.00	0.00	0.00	0.00	0.00
Private Others	22.88	22.88	22.88	22.98	23.21	23.21	23.43	23.43	23.43	0.00	0.00	0.00	0.00	0.00
<b>Private Total</b>	<b>44.10</b>	<b>44.15</b>	<b>45.15</b>	<b>45.28</b>	<b>45.43</b>	<b>45.52</b>	<b>45.60</b>	<b>45.76</b>	<b>45.25</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Autoracks</b>	<b>38.46</b>	<b>39.46</b>	<b>40.33</b>	<b>40.60</b>	<b>40.88</b>	<b>41.15</b>	<b>40.29</b>	<b>42.15</b>	<b>42.86</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

WEIGHTS	"Old Wts"	"New Wts"
	2010	2011
For RCAF & RCR		
RR-owned Time	0.174	0.170
RR-owned Mileage	0.084	0.078
Privately-owned Cars	0.732	0.738
Autoracks	0.010	0.014
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2010	2011
Car Hire - U.S.	0.458	0.486
Lease Rentals - U.S.	0.542	0.514
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

## CHARM Process - Car Hire Rate Report

### Average Car Rental Rates for 02/2013

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,635	117	0.079	37
Railroad	Number of Zero-Rated Vehicular Flats	66	.	.	.
Railroad	All Other Cars	492,302	63	0.068	.
Railroad	Number of Zero-Rated Other Cars	23,249	.	.	.
Railroad	Total Railroad Equipment	523,252	.	.	.
		.	.	.	.
Private	Vehicular Flats	46,018	80	0.014	43
Private	Number of Zero-Rated Vehicular Flats	24	.	.	.
Private	Covered Hoppers	326,132	0	0.440	.
Private	Number of Zero-Rated Covered Hoppers	10,022	.	.	.
Private	Tanks	309,221	0	0.720	.
Private	Number of Zero-Rated Tanks	8,455	.	.	.
Private	All Other Cars	285,054	74	0.070	.
Private	Number of Zero-Rated Other Cars	30,619	.	.	.
Private	Total Private Equipment	1,015,545	.	.	.

Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the car accounting process.
Zero-rated equipment includes those with Umler Rate_Indicator of 6 and 0 (zero).
Zero-rated equipment is excluded from the averages shown in this report.
Equipment must be Active in Umler to be included in this report; Pre-registered and Inactive cars are excluded.

## RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

		Forecast Year 2013			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	13Q1	13Q2	13Q3	13Q4
For Actual	→	12Q3	12Q4	13Q1	13Q2
January	2012	190.1	190.1	190.1	190.1
February	2012	190.1	190.1	190.1	190.1
March	2012	190.6	190.6	190.6	190.6
April	2012	191.8	191.8	191.8	191.8
May	2012	191.6	191.6	191.6	191.6
June	2012	191.5	191.5	191.5	191.5
July	2012	<b>191.7</b>	192.0	192.0	192.0
August	2012	<b>189.6</b>	190.4	190.4	190.4
September	2012	<b>190.6</b>	190.9	190.9	190.9
October	2012	190.8	<b>190.8</b>	194.9	194.9
November	2012		<b>194.9</b>	193.9	193.9
December	2012		<b>195.1</b>	194.1	194.1
January	2013		197.7	<b>197.7</b>	
February	2013			<b>197.2</b>	
March	2013			<b>196.0</b>	
April	2013			196.7	
May	2013				
June	2013				
July	2013				
Actual Qtr.		190.6	193.6	197.0	NA




1980=100

Actual Qtr.


First Mo. next qtr.

210.8	214.2	217.9	NA
211.1	218.7	217.6	NA





0.904 =1980

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### Producer Price Index-Commodities

Series Id: WPU144

Not Seasonally Adjusted

Group: Transportation equipment

Item: Railroad equipment

Base Date: 198200

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	197.7(P)	197.2(P)	196.0(P)	196.7(P)									

P : Preliminary. All indexes are subject to revision four months after original publication.

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## RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2013			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	13Q1	13Q2	13Q3	13Q4
For Actual	→	12Q3	12Q4	13Q1	13Q2
January	2012	193.8	193.8	193.8	193.8
February	2012	194.7	194.7	194.7	194.7
March	2012	195.7	195.7	195.7	195.7
April	2012	195.8	195.8	195.8	195.8
May	2012	195.4	195.4	195.4	195.4
June	2012	193.7	193.7	193.7	193.7
July	2012	<b>193.2</b>	193.3	193.3	193.3
August	2012	<b>193.2</b>	193.3	193.3	193.3
September	2012	<b>193.7</b>	193.7	193.7	193.7
October	2012	193.9	<b>193.9</b>	193.9	193.9
November	2012		<b>194.0</b>	194.0	194.0
December	2012		<b>194.4</b>	194.2	194.2
January	2013		195.1	<b>195.1</b>	
February	2013			<b>196.0</b>	
March	2013			<b>196.4</b>	
April	2013			196.2	
May	2013				
June	2013				
July	2013				
Actual Qtr.		193.4	194.1	195.8	NA


1980=100

Actual Qtr.


First Mo. next qtr.

216.8	217.6	219.5	NA
217.4	218.7	220.0	NA




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### Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.7	193.9	194.0	194.2		194.3
2013	195.1(P)	196.0(P)	196.4(P)	196.2(P)									

P : Preliminary. All indexes are subject to revision four months after original publication.

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